

STATE OF MICHIGAN  
IN THE SUPREME COURT

CITY OF HUNTINGTON WOODS, a  
Michigan Municipal Corporation and  
CITY OF PLEASANT RIDGE, a  
Michigan Municipal Corporation,

Supreme Court No. 152035

Court of Appeals No. 321414

Plaintiffs/Counter-Defendants/Appellants,

Oakland County Circuit Court  
No. 13-135842-CZ

v

CITY OF OAK PARK, a Michigan  
Municipal Corporation, and 45<sup>TH</sup> DISTRICT  
COURT, a division of the State of Michigan,  
Jointly and severally,

Defendants/Counter-Plaintiffs/Appellees.

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**APPELLEE OAK PARK'S SUPPLEMENTAL  
RESPONSE TO APPLICATION FOR LEAVE TO APPEAL**

SECRET WARDLE

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**STATEMENT OF QUESTIONS**

**QUESTION 1**

**WHETHER IN THE ABSENCE OF AN AGREEMENT FOR JOINT FUNDING OF A DISTRICT COURT IN DISTRICTS OF THE THIRD CLASS WHERE THE COURT SITS IN ONLY ONE POLITICAL SUBDIVISION, ALL DISTRICT FUNDING UNITS WITHIN THE DISTRICT HAVE AN INDEPENDENT OBLIGATION TO FUND THE COURT?**

DEFENDANT-APPELLEE CITY OF OAK PARK SAYS "YES."

DEFENDANT-APPELLEE 45<sup>TH</sup> DISTRICT COURT SAYS "YES."

PLAINTIFF-APPELLANTS SAY "NO."

**QUESTION 2**

**WHETHER THE PARTIES IN THIS CASE AGREED THAT THE 45<sup>TH</sup> DISTRICT COURT WOULD BE FUNDED ENTIRELY BY THE CITY OF OAK PARK?**

DEFENDANT-APPELLEE CITY OF OAK PARK SAYS "NO."

DEFENDANT-APPELLEE 45<sup>TH</sup> DISTRICT COURT SAYS "NO."

PLAINTIFF-APPELLANTS SAY "YES."

**QUESTION 3**

**WHETHER REVENUE FROM FEES COLLECTED FOR BUILDING OPERATIONS AND RETIREE BENEFITS ARE SUBJECT TO REVENUE SHARING UNDER MCL 600.8379(1)(c)?**

DEFENDANT-APPELLEE CITY OF OAK PARK SAYS "NO."

DEFENDANT-APPELLEE 45<sup>TH</sup> DISTRICT COURT SAYS "NO."

PLAINTIFF-APPELLANTS SAY "YES."

## SUPPLEMENTAL COUNTER-STATEMENT AND FACTS

Because the Appellants' Statement of Facts as contained in Appellants' Application for Leave to Appeal and Appellants' Reply Brief, is improperly argumentative, incomplete, misleading, asserts facts not in the record, and makes judgments and conclusions not supported by the factual record, Appellee City of Oak Park offers the following Counter-Statement of Material Proceedings and Facts.

### Facts Related to the Establishment, Location, and Operation of the 45<sup>th</sup> Judicial District Court.

- |                   |  |
|-------------------|--|
| Prior to 1974     | <b>Municipal Courts.</b> Before the statutory formation of the 45 <sup>th</sup> District Court by Public Act 145 of 1974, each community operated a municipal court typically in their city council chambers.  |
| June 1974         | <b>Location Where Court Sits.</b> MCL 600.8123 was adopted which mandated the establishment of the 45-B Judicial District, a district of the third class consisting of the cities of Huntington Woods, Oak Park, and Pleasant Ridge, and Royal Oak Township. §8251 mandated that in districts of the third class, the court shall sit at each city having a population of 3,250 or more and within each township having a population of 12,000 or more and at other places <i>as the judges of the district determine</i> . Further, §8251 provided that the court is not required to sit in any political subdivision <i>if the governing body of that subdivision by resolution and the court agree</i> that the court shall not sit in the political subdivision. |
| December 10, 1974 | <b>Waiver of Court Sitting in Pleasant Ridge.</b> Pursuant to MCL 600.8251, the City of Pleasant Ridge adopted a resolution to waive the requirement that the court sit within Pleasant Ridge. The <i>preamble</i> provided that "the City of Pleasant Ridge will not incur any expenses in connection with the operation of the new district court and will receive one-third of all fines assessed which originated in the City of Pleasant Ridge. There is no mention of an expense sharing agreement between the District Funding Units. <b>Exhibit 1.</b>   |
| December 17, 1974 | <b>Waiver of Court Sitting in Huntington Woods.</b> Pursuant to MCL 600.8251, the City of Huntington Woods adopted a resolution to waive the requirement that the court sit within Huntington Woods. The <b>Minutes</b> of the Huntington Woods City Commission reflect that it was stated by a Mr. Wilfong that "if the District Court were held in Huntington Woods, the City would receive one hundred percent of fines levied rather than thirty-three and one third percent it would receive if Huntington Woods cases were held in Oak Park." This does not reflect an agreement to share expenses, rather it is an explanation of the statutory allocation of the fines and costs set forth in MCL 600.8379. <b>Exhibit 2.</b>                                |
| January 1, 1975   | <b>Court sits in Oak Park.</b> Since 1975, the 45 <sup>th</sup> District Court is located in the City of Oak Park and operates in an Oak Park municipal facility. Oak Park does not charge rent for use of its facilities and provides in-kind services to the   |



District Court including a physical location, banking and general ledger services, accounts payable for expenditures, distribution of revenue as directed by the Court, court employee payroll, information technology services, maintenance of insurance policies, routine maintenance of the building and premises, and purchasing services. **Exhibit 3.**

January 1, 1975 to  
Present

**Revenue disbursement.** Pursuant to MCL 600.8379 which provides for the disbursement of one-third of fines and costs to the city whose law was violated when the District Court does not sit in such city, one-third of fines and costs collected by the Court were distributed to the cities of Huntington Woods and Pleasant Ridge and the remaining two-thirds of the fines and costs collected by the 45<sup>th</sup> District Court were distributed to Oak Park and applied to the cost of operating the District Court.

January 1, 1975 to  
Present

**Operating expenses.** MCL 600.8271 requires that the governing body of each district funding unit **shall** annually appropriate, by line-item or lump-sum budget, funds for the operation of the District Court for the 45<sup>th</sup> Judicial District. It is undisputed that only Oak Park annually appropriated funds for the maintenance, financing, and operation of the District Court for their district. **Exhibit 8.**

#### No Agreement between the Funding Units Regarding Court Operating Expenses

June 1974 to  
Present

**Statutory Requirements for Agreement.** MCL 600.8104 provides that the District Funding Units may agree among themselves to share any or all of the expenses of operating the district court. To become effective, such agreements must be approved by resolution adopted by the governing body of each of the respective political subdivisions entering into the agreement. Any agreement is not effective and binding *unless approved by resolution of each political subdivision*. An expense sharing agreement is effective for the period of time *specified in the agreement*.

June 1974 to  
Present

**No Resolution and No Agreement.** Oak Park records indicate that there was no resolution approving an expense sharing agreement for the 45-B District Court, nor any agreement between the funding units as to financing the operation of the 45-B District Court. **Exhibit 3.**

April 5, 1983

**Oak Park Resolution Requesting Parties Enter Into Agreement.** Resolution CM-04-290-83 was adopted by the City of Oak Park addressing the lack of agreement and lack of funding by the other District Funding Units. Oak Park resolved that “the City of Huntington Woods, City of Pleasant Ridge and Township of Royal Oak are *hereby requested to enter into an agreement with the City of Oak Park* to share all of the expenses of maintaining, financing and operating the 45-B District Court at a location within the boundaries of the political subdivision of the City of Oak Park.” **Exhibit 3.**

2011

**Meeting to Develop a MOU.** In 2011, the Chief Judge of the 45<sup>th</sup> District Court convened the Mayors, Supervisor and City Managers of Huntington



Woods, Pleasant Ridge, Royal Oak Township, Oak Park, and Berkley for the purpose of creating a Judicial Council and developing a Memorandum of Understanding regarding revenue distribution and sharing of Court expenses for the operation of the anticipated restructuring of the 45-B District to the 45<sup>th</sup> District. There were multiple meetings between the parties. Berkley withdrew from the discussions and retained its independent status. The remaining political subdivisions did not reach an agreement or a memorandum of understanding. Instead, conflict arose regarding the collection and distribution of fees for the court building fund and the retiree health care fund.

January 1, 1975 to  
Present

**No Agreement Regarding Expenses.** From inception to now, there has been no expense sharing agreement between the District Funding Units of the 45<sup>th</sup> Judicial District or any accord as to financing the expense of maintaining, financing or operating the 45th District Court. **Exhibits 3 and 4.**

**Huntington Woods and Pleasant Ridge Failed To Fund The Operation of the 45<sup>th</sup> District Court As Statutorily Required**

January 1, 1975 to  
Present

**Appropriation statutorily required.** Upon the establishment of the 45-B District Court, MCL 600.8271 mandated that the governing body of each District Funding Unit shall annually appropriate, by line-item or lump-sum budget, funds for the operation of the district court in that district.

January 1, 1975 to  
Present

**Compliance with MCL 600.8271.** Since 1975, Oak Park is the only District Funding Unit in the 45th District to annually appropriate funds for the operation of the 45th District Court from its general fund. **Exhibits 3 and 4.**

Two-thirds of the amount of fines and costs collected from cases originating in Huntington Woods, Pleasant Ridge, and Royal Oak Township is applied toward Court expenses.

One hundred percent (100%) of the revenue collected from cases originating in Oak Park is applied toward Court expenses, and each year Oak Park alone has subsidized the additional expenses of operating the District Court from its general fund. **Exhibit 4.**

January 1, 1975 to  
Present

**Court Underfunded.** The Court has been chronically underfunded since the inception of the district court system in 1975. The court facility fails to meet SCAO guidelines, and is in need of maintenance and improvements. **Exhibits 3, 4, 6, 12, 14, and 15 to Appellee's Brief on Appeal in the MCOA.**

April 5, 1983

**Oak Park Resolution.** Resolution CM-04-290-83 was adopted by the City of Oak Park which states that since January 1, 1975, the City of Oak Park has borne the total expense of operating said court and the subsidy from the General Operating Fund required to maintain the operations of the Court had grown from \$15,063 to an estimated \$249,114 for the 1983-84 fiscal year. Oak Park was carrying the burden of the District Court subsidizing the cities of Huntington Woods, Pleasant Ridge and Royal Oak Township, and recognized

that the facilities were “woefully inadequate to handle the operations” exacerbating the burden. The City resolved:

1. That the City of Huntington Woods, City of Pleasant Ridge and Township of Royal Oak each are hereby requested pursuant to §8261 of Public Act 154, to provide court facilities within each of their political subdivisions, and to provide for the maintenance, financing and operation of the 45-B District Court within their political subdivisions as required by § 8104 of Public Act 154.
2. That, in the alternative, the City of Huntington Woods, City of Pleasant Ridge and Township of Royal Oak are hereby requested to enter into an agreement with the City of Oak Park to share all of the expenses of maintaining, financing and operating the 45-B District Court at a location within the boundaries of the political subdivision of the City of Oak Park. **Exhibit 4.**

1983

**Court Statement.** A Statement of Need was issued by 45-B District Court Judges Frankel and Friedman delineating the inadequacy of Court facilities and the need to upgrade the Court facilities in the 45-B District. **Exhibit 4 to Appellee’s Brief on Appeal in the MCOA.**

September 1995

**SCAO Report.** SCAO issued Management Assistance Report of 45-B delineating deficiencies and needs of the inadequate Court facilities. **Exhibit 6 to Appellee’s Brief on Appeal in the Michigan Court of Appeals.**

January 30, 2008

**Court Survey.** District Court Programming/Space Planning Survey was issued by the Court Administrator outlining the prior courthouse adequacy studies. **Exhibit 14 to Appellee’s Brief on Appeal in the MCOA.**

May 2008

**Court Analysis.** The continued inadequacy of the 45-B court building affecting the ability to administer justice was again recognized in “An Analysis of Current and Projected Facility Needs of the 45-B District Court” issued by Renee S. Gillert which stated that “the 45-B District Court in Oak Park, Michigan had structural constraints that limit its ability to administer justice.” **Exhibit 15 to Appellee’s Brief on Appeal in the MCOA.**

Fiscal Years  
2007-2012

**Oak Park General Fund Subsidy.** In these six years alone, the City of Oak Park had contributed an additional **\$931,142.84** of General Fund revenue toward the direct expense of maintaining, financing, and operating the 45<sup>th</sup> District Court. Clearly, the expense of maintaining, financing, and operating the 45<sup>th</sup> District Court has far exceeded the amount of fine and cost revenue distributed to the City of Oak Park for Court expenses. **Exhibit 4**

From Inception to  
Present

**Compliance with MCL 600.8272.** The City of Oak Park has borne the expense of operating the District Court. In addition to the in-kind services provided by Oak Park to the operation of the District Court, the Oak Park general fund annually subsidizes the expenses of maintaining, financing and

operating the District Court. The City of Pleasant Ridge, the City of Huntington Woods, and Royal Oak Township were all requested to either provide court facilities within their political subdivisions, or to enter into an agreement with the City of Oak Park to share the expenses of operating the 45-B District Court within the boundaries of Oak Park. Needless to say, they did not do so.

Despite the provision of MCL 600.8271(1) which requires the funding units comprising the 45<sup>th</sup> District to appropriate funds for the operation of the District Court, the City of Pleasant Ridge and the City of Huntington Woods have never done so.

As a result, the 45<sup>th</sup> District Court has been chronically underfunded since its inception impacting the Court's ability to provide access to justice in an organized, expeditious, and secure manner. **Exhibits 3, 4, 6, 12, 14, and 15 to Appellee's Brief on Appeal in the MCOA.**

#### **Establishment of the Retiree Health Care and Building Fund**

July 1995

**Fees Established.** The District Court Judges began assessing a \$5.00 fee on each ticket for the designated purpose of funding court retiree health care, and a \$5.00 fee on each ticket for the purpose of funding court building improvements. Separate accounting funds were established for the fees collected. The fees assessed and designated for the Court building fund are accounted for by the City of Oak Park in Fund No. 470, titled Municipal Building Construction Fund, a public improvement fund pursuant to MCL 141.261. The fees assessed and designated for court retiree health care expenses are accounted for by the City of Oak Park in the Retiree Health Care District Court Fund No. 678. **Exhibits 5, 6, and 7.**

1995-1996

**Comprehensive Annual Financial Report.** The Oak Park financial report for fiscal year July 1, 1995-June 30, 1996 reflects that a Capital Project Fund titled Municipal Building Construction Fund was created to account for expenditures made to construct a new District Court Building. It was funded by a \$5.00 per ticket charge levied by the District Court 45B. **Exhibit 6.**

April 26, 2007

**Fee Increase Resolution.** Judge Appel presented a Resolution to the City Council regarding the 45-B District Court Building Fund and Court Retiree Health Care Fund Fee Increase. Oak Park Resolution CM-04-27-07 was adopted addressing the fee increase to \$10.00 per ticket; and a \$100.00 fee for serious and specified misdemeanors designated for Court building expenses. **Exhibit 8.**

October 1, 2011

**Fee Increase Resolution.** The Court revised the fees imposed to a \$20.00 fee designated for Court building expenses and a \$15.00 fee designated for Court retiree health care expense, and a \$125.00 fee for serious and specified misdemeanors designated for Court building expenses. Oak Park Resolution CM-08-250-11 was adopted August 15, 2011. **Exhibit 9.**

July 2012 to  
February 12, 2014

**Fee Dispute Arose.** During 2012, there were discussions to merge the 45-A and 45-B districts. It was at this time that the distribution of the fines and costs became an issue with the Plaintiff cities. Without notice to Oak Park and on the suggestion of the SCAO representative, on or about July 1, 2012, the District Court began disbursing to the Plaintiff cities one-third of the court building fund fees and court retiree health care fees assessed and collected. This distribution continued until Judge Nichols ruled on Oak Park's Motion for Summary Disposition on February 12, 2014. These disbursed fees were specifically assessed for the District Court building fund and court employee retirement healthcare expenses, thus Oak Park requested these amounts be reimbursed to the fund for the designated court expenses. **Counter-Complaint Relief Requested.**

May 13, 2013

**Demand.** A letter was sent to the Oak Park City Manager from the City of Huntington Woods, City of Pleasant Ridge and Royal Oak Township demanding "no less than \$111,696.33 of Pleasant Ridge's property, no less than \$251,021.93 of Huntington Woods property, no less than \$102,919.33 of Royal Oak Township property" plus interest from the building fund, retiree health care fund and serious misdemeanor fund. **Exhibit 10.**

June 3, 2013

**Oak Park Resolution.** Resolution CM-06-214-13 was adopted by the City Council affirming that the money collected by the Court and transmitted to the City of Oak Park for the Court Building Fund and Retiree Health Care Fund is used for those purposes. **Exhibit 11.**

1995 to Present

**Fees Used for Court Expenses.** The funds that Appellants claim were wrongfully withheld from the one-third distribution, were those collected for the court building fund and the court retiree health care fund since fiscal year 1995 and were used for those expenses. From their initial levy, the fees were earmarked for the court building and court retiree health care expenses and were referred to as fees or charges, not as costs. **Exhibits 5, 6, 7, 8, 9, and 11.**

#### Initiation of Legal Proceedings against Oak Park and the 45<sup>th</sup> District Court

August 22, 2013

**Complaint Filed.** A Complaint was filed by the cities of Huntington Woods and Pleasant Ridge seeking a monetary judgment in the amount of \$362,718.26 plus costs, interest and actual reasonable attorney fees against the 45th District Court and the City of Oak Park for allegedly failing to disburse to them one-third of the building fund and retiree health care fees collected by the 45th District Court *since 1995* citing MCL 600.8379 as support. **Complaint, Counts II-IV.**

October 2012

**SCAO Audit.** Appellants cite an unreliable audit report prepared by SCAO to support its argument that the subject fees assessed are fines and costs that should be distributed pursuant to the formula provided by MCL 600.8379. The scope of the audit was limited to an examination of the Court's month-end spreadsheets and the automated system revenue reports. The audit specifically states that amounts included in the report are not reliable. The audit contains a

disclaimer on pages 2, 4, 5, 6, and 7 revealing its unreliability wherein the SCAO states:

*“Please note information related to the actual contributions was not available for all of the reviewed fiscal years. The contributions were calculated using the JIS revenue amounts, splitting the OPCS revenues 50/50 between the building fund and retiree’s health care fund, and allocating 100% of the OPBF revenues to the building fund” (emphasis added).*

The report was an informal audit by SCAO of the incomplete records over an 18 year period of the disbursed fines and costs by the Court. It was not a legal analysis of whether the fees assessed and designated for the building and health care expenses were a fee or a cost. The report merely assumes that the charges were a *cost*. Not only is there no legal analysis of the fee vs. cost issue, there is no legal analysis of the implication of assessing a fee for a designated purpose and then distributing it for another purpose, i.e., a political subdivision’s general fund. A clear review of the report indicates it does not support the Appellants’ position. **Exhibit 12.**

September 26, 2013

**Counter-Complaint Filed.** The City of Oak Park filed a Counter-Complaint seeking declaratory judgment requesting the Circuit Court to declare that the cities of Huntington Woods, Oak Park, and Pleasant Ridge are all District Funding Units for the 45th District Court, and declare as follows:

1. Each unit is required to contribute to the expenses of maintaining, financing, and operating the District Court for their district; and
2. Each unit’s responsibility to appropriate funds for the District Court is not limited by the amount of fine and cost revenue collected by the Court and allocated pursuant to MCL 600.8379; and
3. That the cities of Huntington Woods and Pleasant Ridge comply with MCL 600.8271(1) forthwith and annually appropriate funds for the maintenance, financing, and operation of the 45<sup>th</sup> District Court; and
4. That the fees assessed, designated, and collected by the District Court for court building improvements held in Fund No. 470 entitled Municipal Building Construction Fund, and those specifically designated for court retiree health care expenses held by the City of Oak Park in the Retiree Health Care-District Court Fund No. 678, are not subject to the allocation formula for fines and costs specified in MCL 600.8379(3); and
5. Dismissal of the Complaint filed by the cities of Huntington Woods and Pleasant Ridge in its entirety and with prejudice; and
6. Last, that all funds incorrectly disbursed to the cities of Huntington



Woods and Pleasant Ridge during fiscal year 2012 be reimbursed to the appropriate fund for use in the manner for which the fees were assessed and collected.

December 23, 2013	<b>Motion Filed.</b> The City of Oak Park filed its Motion for Summary Disposition.
January 22, 2014	<b>Concurrence by Court.</b> The 45 <sup>th</sup> District Court concurred in the Motion for Summary Disposition filed by Oak Park.
February 12, 2014	<b>Hearing.</b> A hearing on the Motion for Summary Disposition was held in the Oakland County Circuit Court.
April 3, 2014	<b>Order Entered.</b> The Circuit Court entered an order granting partial summary disposition in favor of Oak Park leaving one issue remaining. The Court ordered that the City of Oak Park's request for the Court to order fees improperly distributed from July 1, 2012 to February 2014 to be returned to the appropriate court expense fund, was not ruled on by the Court. Thus the order was not a final order of the Court. <b>Exhibit 31 to Appellee's Brief on Appeal in the MCOA, p 3.</b>
April 16, 2014	<b>Motion for Stay.</b> Appellants filed a Motion for Stay.
April 22, 2014	<b>Interlocutory Application for Leave.</b> Appellants filed an Interlocutory Application for Leave to Appeal to the MCOA seeking to appeal the trial court's determinations that: 1) Appellants City of Pleasant Ridge and City of Huntington Woods are responsible to provide funding for the 45th District Court and must comply with the funding obligation found in MCL 600.8271(1); and 2) charges assessed for the purposes of retiree healthcare and for court building improvements are not fines and costs subject to a one-third distribution to Appellants pursuant to MCL 600.8379, but are fees which are not subject to such distribution. <b>Exhibit 31 to Appellee's Brief on Appeal in the MCOA.</b>
April 23, 2014	<b>Stay Granted.</b> Appellants' Motion for Stay was granted by the Circuit Court.
October 14, 2014	<b>Leave Granted.</b> Application for Leave to Appeal to MCOA was granted.
June 11, 2015	<b>Opinion issued.</b> Court of Appeals issued opinion affirming the Circuit Court decision granting Appellee's Motion for Summary Disposition.
July 23, 2015	Application for leave to appeal was filed with Michigan Supreme Court.
August 20, 2015	Response to Application for leave to appeal to the Michigan Supreme Court filed
February 3, 2016	Supreme Court issued Order to schedule oral argument and ordered parties to file supplemental briefs addressing three (3) issues.
March 16, 2016	Pursuant to Order of the Michigan Supreme Court, Appellee City of Oak Park filed this Supplemental Response to Application for Leave to Appeal.

**SUPPLEMENTAL LAW AND ARGUMENT****QUESTION 1**

**WHETHER IN THE ABSENCE OF AN AGREEMENT FOR JOINT FUNDING OF A DISTRICT COURT IN DISTRICTS OF THE THIRD CLASS WHERE THE COURT SITS IN ONLY ONE POLITICAL SUBDIVISION, ALL DISTRICT FUNDING UNITS WITHIN THE DISTRICT HAVE AN INDEPENDENT OBLIGATION TO FUND THE COURT?**

**A. All District Funding Units in a District of The Third Class Have a Statutory Obligation To Fund The 45<sup>th</sup> District Court.**

A close review of the applicable sections of the RJA requires the conclusion that the cities of Huntington Woods, Oak Park and Pleasant Ridge, and the Township of Royal Oak are all District Funding Units for the 45<sup>th</sup> District Court and, as District Funding Units, each unit is required to contribute to the expenses of maintaining, financing, and operating the District Court *for their district*, to wit, the 45<sup>th</sup> District Court. MCL 600.8271(1); MCL 600.8621(1); MCL 600.8104. This independent funding obligation was recognized by the Michigan Supreme Court in 1978 in the case of *City of Center Line v. 37<sup>th</sup> District Court Judges*, 403 Mich. 595; 271 NW2d 526 (1978). That case stands in part for the proposition that despite the fact that a court does not sit in the geographic boundaries of a political subdivision, if a political subdivision is part of the district of the third class, the political subdivision is still responsible for court operations. The Supreme Court explained that:

The Legislature responded with the district court act. Among the judicial districts created was the 37<sup>th</sup>, consisting of the cities of Warren and Center Line. The 37<sup>th</sup> was made a district of the third class, i.e. “a district consisting of 1 or more political subdivisions” *with each political subdivision responsible for court operations*. Under RJA §9921, existing municipal courts were “abolished” except those that were resurrected under §9928 (emphasis added, footnotes omitted). *Id.* at 600.

See also, *Judges of the 74<sup>th</sup> Judicial District v. Bay County*, 385 Mich. 710, 726; 190 NW2d 219 (1971), where the Michigan Supreme Court held that:

*Where a judicial district consists of more than one district control unit, each unit is required to contribute to the expenses of the court.* (emphasis added) *Id.* at 726.



The Revised Judicature Act addresses the statutory obligation of the District Funding Units in §8104, §8271 and §8621. RJA §8104(2) and (3) state:

(2) *Except as otherwise provided in this act*, a district funding unit shall be responsible for maintaining, financing, and operating the court only within its political subdivision. In districts of the third class a political subdivision shall not be responsible for the expenses of maintaining, financing, or operating the district court, traffic bureau, or small claims division incurred in any other political subdivision except as provided by section 8621 and other provisions of this act. (emphasis added)

(3) One or more district funding units within any district may agree among themselves to share any or all of the expenses of maintaining, financing, or operating the district court. To become effective such agreements must be approved by resolution adopted by the governing body of the respective political subdivisions entering into the agreement, and upon approval such agreements shall become effective and binding in accordance with, to the extent of, and for such period stated in that agreement. (emphasis added)

Appellants, noting that RJA §8104(3) provides that district funding units may agree among themselves to share in the expense of maintaining and financing the Court, appear to reason that unless they so agree, there is no funding obligation for those districts in which the District Court is not located. The fallacy of Plaintiff's argument is that it ignores the clear language of RJA §8104(2) – “[e]xcept as otherwise provided in this act” – which requires the Court to consider funding obligations set forth in other portions of the Act, most notably MCL 600.8271. Section 8271 mandates that the governing body of each District Funding Unit ***shall annually appropriate funds for the operation*** of the district court ***in that district*** (emphasis added). Specifically, RJA §8271 provides as follows:

(1) *The governing body of each district funding unit shall annually appropriate, by line-item or lump-sum budget, funds for the operation of the district court in that district.* However, before a governing body of a district funding unit may appropriate a lump-sum budget, the chief judge of the judicial district shall submit to the governing body of the district funding unit a budget request in line-item form with appropriate detail. A court that receives a line-item budget shall not exceed a line-item appropriation or transfer funds between line items without the prior approval of the governing body. A court that receives a lump-sum budget shall not exceed that budget without the prior approval of the governing body (emphasis added).

MCL 600.8621 also addresses the statutory obligation of each District Control Unit for the expenses of district court recorders and reporters, as follows:

- (1) District court recorders and reporters shall be paid by each district control unit. In districts consisting of more than 1 district control unit, each district control unit shall contribute to the salary in the same proportion as the number of cases entered and commenced in the district control unit bears to the number of cases entered and commenced in the district, as determined by the judges of the district court under rules prescribed by the supreme court.

It is important to recognize that the language of §8271 and §8621 do not state, “*except as otherwise provided in this act.*” Instead, each section provides a clear statutory mandate as to the independent obligation of **each** district funding unit without any qualifying language. Thus, the Court of Appeals correctly applied the pertinent rules of statutory construction and held that in districts of the third class, each District Funding Unit is required to provide funding for the District Court regardless of which political subdivision the Court is seated in. Specifically, the Court of Appeals held that:

MCL 600.8621 requires each district funding unit to contribute to the salaries of district court recorders and reporters. MCL 600.8271(1) states that the governing body of each district funding unit “shall annually appropriate . . . funds for the operation of the district court in that district.” It is well established “that the term ‘may’ is ‘permissive,’ . . . as opposed to the term ‘shall,’ which is considered ‘mandatory.’ ” *Manuel v Gill*, 481 Mich. 637, 647; 753 NW2d 48 (2008). By using the mandatory term “shall,” instead of the permissive term “may,” MCL 600.8271(1) clearly requires each district funding unit to provide funding for the district court. Reading these provisions of the Revised Judicature Act together, in accordance with the doctrine of *in pari materia*, the statutory scheme clearly imposes on all district funding units in a third-class district a duty to provide financial support for the district court, regardless of which political subdivision the court is seated. *Titan Ins Co*, 296 Mich. App. at 83. Opinion of MCOA, p. 10.

Appellants have incorrectly asserted that Oak Park assumed the obligation to be the sole source of funding for the District Court. This assertion is unfounded, completely unsupported by the record and clearly self-serving. To interpret the provisions of the RJA as urged by Appellants results in material injustice to the ***City and residents of Oak Park***. Placing the financial burden on Oak Park taxpayers to pay for the expenses incurred by Pleasant Ridge and Huntington Woods for use of

the Court all these years simply because the Court for the District sits in Oak Park is unsupported by the legislative enactments. It defies common sense and statutory mandate that one city that is served by the Court can, by adopting a resolution to waive the requirement that the Court sit within their city, *shift the obligation of funding the Court* to the community where the Court sits, thereby resulting in tax dollars being used to provide judicial services to the residents of the neighboring city. This is what violates MCL 600.8104 and is a travesty.

In districts of the third class where the court serves more than one political subdivision, the second sentence of §8104(2) clearly indicates an intention to limit the financial responsibility to the political subdivision which incurs the cost of judicial services. One political subdivision is not responsible for the costs of providing access to justice for another political subdivision. If Huntington Woods prosecutes its ordinance violations in the 45<sup>th</sup> District Court, Huntington Woods incurs the cost of operating the court, thus Huntington Woods is responsible for those costs of financing, maintaining, or operating the Court for their benefit. For Oak Park to be financially responsible to provide access to justice to Huntington Woods, Pleasant Ridge or Royal Oak Township just because the Court is not located in Huntington Woods, Pleasant Ridge or Royal Oak Township violates §8104(2) which states in pertinent part:

In districts of the third class a political subdivision shall not be responsible for the expenses of maintaining, financing, or operating the district court, traffic bureau, or small claims division incurred in any other political subdivision except as provided by §8621 and other provisions of this act. (emphasis added)

The absurdity of Appellants' construction of §8104, §8271 and §8621 of the RJA is clear when you consider that Appellants propose that the RJA 1) creates judicial districts that are comprised of more than one community, each named a "district funding unit"; 2) allows the Court for the judicial district to agree with a community to waive the requirement that the Court sit within the geographic boundaries of that community; 3) results in the community utilizing the Court facilities located in one of the other communities; 4) compels the community where the Court sits to

use its tax dollars to pay for the expenses of providing access to justice to the residents from the community that waived the sitting of the Court within its geographic boundaries, **all without the community where the Court will sit having any say in the matter.** Not only is the result absurd, it defies common sense that one city can, by adopting a resolution to waive the requirement that the Court sit within their city, shift the obligation of funding the Court to another community that must use its tax dollars to provide judicial services to the residents of the neighboring city.

Fundamentally, this case is about the statutory obligation of each community that is part of a judicial district of the third class to independently fund the district court that provides access to justice to its citizens. Since 1975, the judiciary has recognized that the location of the district court in another political subdivision does not diminish the statutory funding obligation of the other district funding units to undertake maintaining, operating, and financing the district court for their district. Pursuant to the RJA in §8104(2) each political subdivision is obligated as district control/funding units<sup>1</sup> to undertake ‘maintaining, operating, and financing’ of the court. Therefore, in a district of the third class, all district funding units have an independent statutory obligation to fund the district court.

**B. The Submission of a Budget is not a Prerequisite to the Statutory Funding Obligation.**

It should be noted that Appellants essentially conceded that §8271 is a statutory funding obligation of the district funding units. In their Application for Leave to Appeal to the Court of Appeals, Appellants argued that “MCL 600.8271(1) may be pertinent, if the prerequisite that the Chief Judge of the District Court submit a budget request as prescribed by the statute to the governing body had been done.” See, Appellants’ Application for Leave filed with COA, p. 9. The Court of Appeals rejected this argument by stating that:

Plaintiffs overlook the limiting introductory language at the beginning of §8104(2), “except as otherwise provided in this act,” and the similar language at the end of that

<sup>1</sup> District Control Unit is synonymous with District Funding Unit. MCL 600.8104(1).

subsection, which again specifies that the provisions of that subsection apply “except as provided by section 8621 and other provisions of this act.”

Plaintiffs argue that if there is such a requirement, it is not triggered until the chief judge submits a proposed budget to the funding unit. Plaintiffs rely on the second sentence in §8271(1), which states that “before a governing body of a district funding unit may appropriate a lump-sum budget, the chief judge of the judicial district shall submit to the governing body of the district funding unit a budget request in line-item form with appropriate detail.” The statutory provision goes on to state that “[a] court that receives a line-item budget shall not exceed a line-item appropriation or transfer funds between line items without the prior approval of the governing body” and “[a] court that receives a lump-sum budget shall not exceed that budget without the prior approval of the governing body.” The relevant context of this requirement pertains to the choice of a lump-sum budget over a line-item budget, not to the funding unit’s financial obligation.

Clearly, the decision of the Court of Appeals was based on proper application of statutory construction. A close reading of §8271 reveals that before a funding unit may appropriate a lump-sum budget, a line-item budget must be submitted by the Chief Judge. This is not a prerequisite to the statutory funding obligation; rather, it recognizes two (2) types of budgets found in municipal fund accounting, general lump-sum budgets that do not provide the specificity or control of a line-item budget, and the very detailed line-item budget that limits expenditures to the specific line-item appropriation. The provision simply requires that before a district funding unit may appropriate funds as a lump-sum budget, the court is required to submit the more detailed line-item budget with sufficient information.

**C. The Legislature provided a Remedy by Authorizing an Expense Sharing Agreement.**

In addition, the legislature provided a remedy for issues related to funding obligations of the district funding units. Section 8104(3) specifically provides the authorization for the funding units of a district of the third class to enter into an expense sharing agreement and provides the procedure. To become effective the agreement must 1) be approved by resolution of each of the governing bodies that are part of the agreement; 2) state within the agreement the extent to which it is binding; and 3) state in the agreement the period of time it is effective and binding. As discussed in the next



argument, while Oak Park has made such requests, there has been no expense sharing agreement between any of the district funding units for the 45<sup>th</sup> District Court.

Unfortunately, the dispute regarding the funding of the Court has spanned over 40 years without resolution. Each attempt at finding a resolution has been unsuccessful. The Appellants have had the benefit of access to the Court, and the benefit of receiving a share of the fine and cost revenue collected; however, they have not shared in the expense of operating the Court. Consequently, Appellants do not appear to be motivated to enter into a Memorandum of Understanding or other expense sharing agreement between the funding units as authorized by §8104(3).

Historically, the expense of maintaining, financing, and operating the 45<sup>th</sup> District Court has far exceeded the amount of fine and cost revenue distributed to the City of Oak Park for Court expenses. Consequently, in the event the decision of the Court of Appeals is reversed, the Oak Park General Fund will no longer subsidize access to justice for the other communities in the district. A more formal arrangement is necessary that may include the Court sitting in each political subdivision of the district. However, in the event leave to appeal is denied and/or the decision of the Court of Appeals is affirmed, Oak Park is agreeable to engage in negotiations with the other district funding units to negotiate an agreement along the lines of MCR 8.201(A)(3) where the share of the costs will be borne by each political subdivision by use of the formula set forth in the court rule:

(the number of cases entered and commenced in each political subdivision divided by the total number of cases entered and commenced in the district) multiplied by the total cost of maintaining, financing, and operating the district court.

**D. MCL 600.8379 does not limit the District Funding Units obligation to fund the Court.**

A final note is required concerning Appellants' incorrect assumption that MCL 600.8379 limits the District Funding Unit's obligation to independently fund the operation of the District Court. There is nothing in the RJA to support such an assumption.

Just as the Revised Judicature Act addresses funding of the expenses for maintaining, financing, and operating the District Court in Chapter 82, §8271, it also addresses allocation of the fine and cost revenue collected by the District Court in the separate Chapter 83, in §8379. MCL 600.8379 is clearly limited to the funds received in payment on fines and costs assessed and the manner in which the revenue will be appropriated and disbursed. There is nothing in the legislative enactments to support Appellants' incorrect assumption that MCL 600.8379 limits the district funding unit's independent obligation to fund the operation of the district court. The legislature treated the expenses of maintaining, financing, and operating the district court separately in Chapter 82, §8271, from the method mandated for disbursement of fine and cost revenue collected by the District Court in Chapter 83, §8379. It is a long standing rule of statutory construction that in construing a statute, the court must read the statute as a whole, not isolate the provision and construe it without reference to the rest of the Act. *Smith v. Behrendt*, 278 Mich. 91, 270 NW 227 (1936); *Association of Businesses Advocating Tariff Equity v. Public Service Comm.*, 430 Mich. 33, 420 NW2d 81 (1988). MCL 600.8379 is correctly enforced and implemented by the 45<sup>th</sup> District Court to distribute the revenue collected. The allocation provisions of MCL 600.8379 simply do not apply to limit the independent funding obligation mandated by MCL 600.8271. Despite MCL 600.8379, the funding units are statutorily required to each annually appropriate funds for the operation of the district court by line-item or lump sum budget.

Appellants' assertion that MCL 600.8379 limits their statutory obligation to maintain, finance, and operate the District Court ignores the clear mandate of MCL 600.8271. Further, there was no agreement between the parties that the Appellants were exempt from the statutory obligation to fund the expenses of operating the District Court as required by MCL 600.8271.

For all the reasons set forth above, in districts of the third class where the Court sits in only one political subdivision, all district funding units have an independent obligation to fund the court.



QUESTION 2**WHETHER THE PARTIES IN THIS CASE AGREED THAT THE 45<sup>TH</sup> DISTRICT COURT WOULD BE FUNDED ENTIRELY BY THE CITY OF OAK PARK?**

- A. **There was no agreement between the parties that the 45<sup>th</sup> District Court would be funded entirely by the City of Oak Park.**

Appellants' argument brought at this late stage of the proceedings that the parties agreed that the 45<sup>th</sup> District Court would be funded entirely by the City of Oak Park is unfounded. There simply was no agreement between the cities of Huntington Woods, Pleasant Ridge and Oak Park or Royal Oak Township that the 45th District Court would be entirely funded by Oak Park.

A search of Oak Park records in years 1974 to the end of 1975 indicated that there was no resolution related to funding of the 45-B District Court, nor any agreement between the district funding units as to financing the operations of the 45-B District Court. Moreover, a review of the 1983 Resolution, CM-04-290-83, adopted by the City of Oak Park reveals that there clearly was NO AGREEMENT between the communities. After declaring that since January 1, 1975, the City of Oak Park had borne the total expense of operating the District Court, the City, by resolution, implored the other District Funding Units to *enter into an agreement*. In pertinent part the Resolution stated:

*"the City of Huntington Woods, City of Pleasant Ridge and Township of Royal Oak are hereby requested to enter into an agreement with the City of Oak Park to share all of the expenses of maintaining, financing and operating the 45-B District Court at a location within the boundaries of the political subdivision of the City of Oak Park."* **Exhibit 3.**

It is the resolutions that were adopted to waive the requirement that the Court sit within the geographic boundaries of the political subdivisions as provided by MCL 600.8261 that the Appellants now argue were an agreement as to funding of the Court. However, the argument that there was an agreement, or an understanding is disingenuous, unfounded, and not supported by the record.

In their Brief in Support of Leave to Appeal to the MCOA, Appellants acknowledged there was no agreement between the funding units as to funding of the District Court. Appellants state in Issue I that:

WHERE THE CITIES OF HUNTINGTON WOODS AND PLEASANT RIDGE WAIVED THE REQUIRMENTS FOR THE DISTRICT COURT TO SIT WITHIN THEIR POLITICAL JURISDICTIONS IN 1974 UPON RELIANCE OF THE APPLICATION OF MCL §600.8379, DOES THE OAKLAND COUNTY CIRCUIT COURT HAVE THE AUTHORITY TO REQUIRE THE COMMUNITIES OF HUNTINGTON WOODS AND PLEASANT RIDGE TO FOLLOW MCR 8.201(A) ***WHEN THERE IS NO AGREEMENT AMONGST THE COMMUNITIES AS CONTEMPLATED BY MCL §600.8104(3)*** AND, THEREFORE, IN EFFECT RENDER MCL §600.8379 VOID AND OF NO EFFECT? Issue I Brief in Support of Leave to Appeal to the MCOA, p. iv, and p. 6.

Also on Page 10, Appellants state:

***“disregarding the fact that the municipalities never entered into an agreement . . .”***

Clearly, there was no written agreement between the parties; there were no resolutions adopted by the governing bodies of each political subdivision approving a funding agreement; and no record of a term or effective period. MCL 600.8104(3). Notwithstanding Oak Park’s plea for relief and attempts at coming to an agreement, the Appellants never entered into an agreement regarding the expenses or the revenue of the Court.

**B. Appellants Cannot Establish the Existence of a Valid Agreement that the 45<sup>th</sup> District Court Would Be Funded Entirely By the City of Oak Park.**

It is through the statutory enactments that provide a municipality with the authority to contract. RJA §8104 provides district funding units with the authority to enter into an agreement with respect to sharing expenses of operating the Court. Specifically §8104(3) authorizes:

(3) One or more district funding units within any district may agree among themselves to share any or all of the expenses of maintaining, financing, or operating the district court. *To become effective such agreements must be approved by resolution adopted by the governing body of the respective political subdivisions entering into the agreement, and upon approval such agreements shall become effective and binding in accordance with, to the extent of, and for such period stated in that agreement (emphasis added).*

Based on the statutory requirement, to become effective and binding, an agreement to share expenses among district funding units must 1) be approved by resolution; and 2) be adopted by the governing body of each of the respective political subdivisions entering into the agreement. The statute expressly mandates that “upon approval such agreements shall become effective and binding in accordance with, to the extent of, and for such period stated in that agreement.”

If an alleged agreement does not comport with the statutory requirements of §8104(3), any purported agreement does not take effect and is not binding. The record demonstrates there was no written agreement among the parties that the 45<sup>th</sup> District Court would be funded entirely by the City of Oak Park. There was no resolution adopted by each of the governing bodies approving an agreement that the 45<sup>th</sup> District Court will be funded entirely by the City of Oak Park. Clearly, if there was no written agreement, there is no term specified in the agreement as required by §8104(3). Consequently, Appellants cannot establish the existence of a valid agreement that the 45<sup>th</sup> District Court would be funded entirely by the City of Oak Park.

Further, the Home Rules Cities Act, MCL 117.1, *et seq.*, is the enabling authority for cities. The statute requires a city to have a provision in their charter authorizing the city to enter into contracts considered necessary by the legislative body. Specifically §117.3(j) requires:

**117.3 Mandatory charter provisions.**

Each city charter shall provide for all of the following:

(j) The public peace and health and for the safety of persons and property. In providing for the public peace, health, and safety, a city may expend funds or enter into contracts with a private organization, the federal or state government, a county, village, or township, or another city for services considered necessary by the legislative body. Public peace, health, and safety services may include the operation of child guidance and community mental health clinics, the prevention, counseling, and treatment of developmental disabilities, the prevention of drug abuse, and the counseling and treatment of drug abusers. (emphasis added)

The Oak Park City Charter in §13.2, provides the authority to the City of Oak Park to contract. The City of Oak Park City Charter specifically vests the power to contract in the City Council:

**Section 13.2. – Contracts.**

All contracts and leases to which the city is a party when this Charter becomes effective shall remain in full force and effect.

The authority to contract on behalf of the city is vested in the council and shall be exercised in accordance with the provisions of statute and of this Charter, provided that purchases and sales may be made by the city manager subject to the provisions of section 13.1. (emphasis added).

Reading the Home Rule Cities Act and the City Charter together, it is readily apparent that it is the City Council that has the authority to contract on behalf of the City of Oak Park. Therefore, it is clear that if the City Council did not approve a contract, any purported contract is outside the scope of authority and is “ultra vires.” *Ross v. Consumers Power Co. (on rehearing)*, 420 Mich. 567, 363 NW2d 641 (1984). Pursuant to the doctrine of ultra vires, a contract made by a public corporation beyond the scope of its powers is unlawful.

The legislative authority to contract is implemented by adoption of an ordinance or a resolution. In Oak Park, a formal procedure is followed for the adoption of resolutions. Adopted resolutions are included in the minutes of the City Council and are given a resolution number. A search of Oak Park City Council records revealed there was no resolution adopted by the Oak Park City Council approving an agreement that the 45<sup>th</sup> District Court would be funded entirely by the City of Oak Park. Where the City Council actions are approved by resolution, any purported implied or verbal contract would therefore, be beyond the scope of power of the City and would be ultra vires. There being no written agreement adopted by resolution agreeing that the 45<sup>th</sup> District Court be entirely funded by the City of Oak Park, and no formal action by the Oak Park City Council approving such an agreement, the Appellants *cannot* establish the existence of a valid agreement that the 45<sup>th</sup> District Court would be funded entirely by the City of Oak Park. Without a resolution of the Oak Park

City Council approving an agreement, the Appellants *cannot* establish a genuine issue of fact regarding whether a valid contract was formed. MCL 600.8104(3) and Oak Park City Charter §13.2.

There simply was no expense sharing agreement. There was merely a resolution adopted by the legislative bodies of Huntington Woods and Pleasant Ridge waiving the sitting of the District Court in their jurisdiction. Accordingly, the Court of Appeals correctly held that “Plaintiffs cannot establish the existence of a valid contract limiting their financial obligations to the one-third/two-thirds revenue sharing provision.”

For all the reasons set forth above, there was no agreement between the parties that the 45<sup>th</sup> District Court would be funded entirely by the City of Oak Park, and the Appellants cannot establish the existence of a valid agreement absent a resolution adopted by the City Council of Oak Park approving such an agreement.

### QUESTION 3

#### **WHETHER REVENUE FROM FEES COLLECTED FOR BUILDING OPERATIONS AND RETIREE BENEFITS ARE SUBJECT TO REVENUE SHARING UNDER MCL 600.8379(1)(c).**

##### **A. Pursuant to Rules of Statutory Construction, the Revenue Collected From Fees Assessed For the Building Operations and for Retiree Benefits Are Not Subject to Revenue Sharing Under MCL 600.8379(1)(c).**

An analysis of the Appellants’ argument that the cities of Huntington Woods and Pleasant Ridge are entitled to a share of the *fees* assessed for the building operations and for retiree benefits must begin with an application of the rules of statutory construction.

Because the Legislature is presumed to understand the meaning of the language it enacts into law, statutory analysis must begin with the wording of the statute itself. *Robinson v. Detroit*, 462 Mich. 439, 459; 613 NW2d 307 (2000). Generally, statutory construction involves a three-stage analysis: 1) examination of actual language of each clause; 2) consideration of words or expressions obviously purposefully omitted; and 3) connection between clauses within statute and conclusions that

may be drawn by comparisons. *People v. Fields*, 101 Mich. App 287, 300 NW2d 548, aff'd 413 Mich. 498, 320 NW2d 663 (1980).

The Revised Judicature Act, §8379(1)(c) addresses the allocation and disbursement of fine and cost revenue collected by a district court of the third class. Subsection (c) is set forth in pertinent part as follows:

(c) *In districts of the third class, all fines and costs*, other than those imposed for the violation of a penal law of this state or ordered in a civil infraction action for the violation of a law of this state, shall be paid to the political subdivision whose law was violated, except that where *fines and costs* are assessed in a political subdivision other than the political subdivision whose law was violated, 2/3 shall be paid to the political subdivision where the guilty plea or civil infraction admission was entered or where the Circuit or civil infraction action hearing took place and the balance shall be paid to the political subdivision whose law was violated (emphasis added).

Applying the first stage of a statutory construction analysis, the examination of actual language of each clause, §8379(3) is clearly limited in its application to the payment of *fines and costs* assessed by the district court. The language is very specific, unambiguous, and clear. If a statute is unambiguous, it must be enforced as written. *Robinson v. Detroit*, 462 Mich. 439; 613 NW2d 307 (2000).

Applying the second stage of a statutory construction analysis, the consideration of words or expressions obviously purposefully omitted, §8379(3) obviously omitted the term *fees*. MCL 600.8379 *does not state* that in districts of the third class, all fines, costs *and fees* assessed shall be paid to the political subdivision whose law was violated. Rather, it specifically states “*fines and costs*” thereby obviously purposely omitting the term fees. Use of specific words in a statute indicates the intent to exclude that which is not included. *People v. Hoyer*, 105 Mich. App. 768, 307 NW2d 723 (1981). To read the term *fees* into §8379(3) results in re-writing the statute, rather than interpreting the statute as the legislature enacted it. *Baldwin v. North Shore Estates Assn.*, 384 Mich. 42, 179 NW2d 398 (1970); *St. Ana v. St. Ana*, 353 Mich. 271, 91 NW2d 292 (1958). It is the function of the Court to fairly interpret a statute as it then exists; it is not the function of the Court to legislate. *Melia*



v. *Appeal Board of Michigan Employment Sec. Comm.*, 346 Mich. 544, 78 NW2d 273 (1956).

Applying the third stage of a statutory construction analysis, the connection between clauses within a statute and conclusions that may be drawn by comparisons, provides further support that the revenue sharing formula set forth in §8379(3) does not apply to the revenue collected from fees assessed for the building operations and for retiree benefits. Court revenue includes fines, costs, and fees assessed and collected by the Court. A fee is not the same as a cost or fine. The RJA in §4801, defines a fee as follows:

(b) “Fee” means any monetary amount, *other than costs or a penalty*, that the court is authorized to impose and collect pursuant to a conviction, finding of responsibility, or other adjudication of a criminal offense, a civil infraction, a civil violation, or a parking violation, including a driver license reinstatement fee. (emphasis added)

Therefore, it is clear the Legislature recognized that there are fees assessed by the Court, as well as many other types of court assessments and charges: fines, costs, penalties, damages, expenses, forfeitures, bonds, and assessments. A court is to interpret the words of a statute in light of their ordinary meaning and their context within the statute and to read them harmoniously to give effect to the statute as a whole. *People v. Peralta*, 489 Mich. 174, 181; 803 NW2d 140 (2011); *People v. Burns*, 5 Mich. 114 (1858); *Dussia v. Merman*, 386 Mich. 244, 248; 191 NW2d 307 (1971). To interpret §8379 as applying the revenue sharing formula to fees validly assessed for designated court expenses, is undoubtedly taking liberty with the specific language of the statute. Such an interpretation is not supported by rules of statutory interpretation. Rather, rules of statutory interpretation require that where a statute is unambiguous it must be enforced as written. *Metropolitan Council 23, etc. v. Oakland County*, 409 Mich. 299, 294 NW2d 578, 105 BNA LRRM 3424 (1980). It has been a long standing rule that a statute cannot be extended by construction beyond the obvious import of its language. *People v. Yamat*, 475 Mich. 49, 714 NW2d 335 (2006); *Woodard v. Custer*, 476 Mich. 545, 719 NW2d 842 (2006); *People v. Monaco*, 474 Mich. 48, 710 NW2d 46 (2006); *People v. Perkins*, 473 Mich. 626, 703 NW2d 448 (2005); *Chaney v. Department of Transp.*, 447



Mich. 145, 523 NW2d 762 (1994); *Detroit v. Redford Twp.*, 253 Mich. 453, 235 NW 217 (1931).

Therefore, pursuant to the rules of statutory construction, the revenue collected from fees assessed for the building operations and for retiree benefits are not subject to revenue sharing under MCL 600.8379(1)(c).

**B. Revenue From Fees Collected For Building Operations and Retiree Benefits Are Not Costs and Therefore Are Not Subject To Revenue Sharing Under MCL 600.8379(1)(C).**

With the expenses of the District Court greatly exceeding the amount of fines and costs disbursed to the City of Oak Park and applied to the operation of the District Court, the chronic underfunding due to the lack of financial support from the Appellants, and the functional inadequacy of the Court facility, the building improvement fees were implemented by the Court to address a serious long standing problem. The fees became necessary for the Court's constitutional responsibility to deliver justice in an organized, expeditious, and secure manner.

A statutorily authorized fund was established to maintain the fees assessed for building operations pursuant to the Public Improvement Fund Act, MCL 141.261, *et seq.* A fund created pursuant to the Public Improvement Fund Act is a special revenue fund that can only be used for "acquiring, constructing, extending, altering, repairing or equipping public improvements or public buildings." MCL 141.261, *et seq.* Once the public improvement fund is established, MCL 141.262 mandates that "notwithstanding the provisions of *any* law ... monies accumulated in said fund *shall not* be transferred, encumbered, or otherwise disposed of except for the purpose of acquiring, constructing, extending, altering, repairing, or equipping public improvements or public buildings. Therefore, the funds accumulated in the Municipal Building Construction Fund No. 470 are fees that shall be used only for the acquisition, construction, extension, alteration, repair, or equipment for the District Court and are not costs as defined by the RJA.

Similarly, in 1995 the Judges of the 45-B District Court implemented court retiree health care

and included a fee to offset the expense. The employees of the District Court are employees of the Judiciary and the Presiding Judge exercises full authority and control over all matters of administration and personnel, including compensation and benefits. Despite the assessment of the fee for Court retiree healthcare, the amount collected has historically not covered the annual cost, and the City of Oak Park general fund has historically subsidized this expense. The fees have always been accounted for in an internal service fund which is used to account for the financing of goods and services provided to other governmental units on a cost-reimbursement basis. **Exhibit 5 and 6.** Therefore, the fees assessed for court retiree benefits are not a cost as defined by the RJA.

The Court of Appeals analyzed the pertinent provisions of the RJA and correctly held that neither the building fund assessment nor the retiree healthcare fund assessment qualify as a “cost” within the definition of MCL 600.4801(a), noting that “the charge was not assessed or collected for the prosecution, adjudication, or processing of criminal offenses, civil infractions, or other violations.” The Court determined that “we are not persuaded that the term “court costs” in §4801(a) extends to money collected for a court building fund or court retiree healthcare fund.” **Michigan Court of Appeals Opinion, p. 13.** The Court of Appeals correctly affirmed the decision of the Trial Court when it held that:

Therefore, monies assessed and collected for the building fund and the retiree healthcare fund are not “costs” under MCL 600.4801(a). Such assessments come within the statutory definition of “fee,” which is defined as “any monetary amount, other than costs or a penalty, that the court is authorized to impose and collect pursuant to a conviction . . .” MCL 600.4801(b). Because a “fee” is not part of the allocation required by MCL 600.8379(1)(c), neither Oak Park nor the 45th District Court was required to distribute one-third of the assessment to plaintiffs.

Therefore, revenue from fees collected for building operations and retiree benefits are not costs under the RJA and are not subject to revenue sharing under MCL 600.8379(1)(C).

- C. The SCAO document titled *Court Costs Distributions, Fiscal Years 1996 through 2012*, does not establish that revenue from fees collected for building operations and retiree benefits are subject to revenue sharing under MCL 600.8379(1)(c).**

The SCAO audit titled “Court Costs Distributions Fiscal Years 1996 Through 2012” does not support Appellants’ argument that the building and retiree fees are subject to revenue sharing under MCL 600.8379(1)(c). The report is merely an audit of old, incomplete month-end spreadsheets and automated system revenue reports over an eighteen (18) year period and does not establish any legal right to revenue sharing for the fees assessed, collected, and used for necessary building improvements and Court retiree healthcare expenses.

Appellants place great weight on the SCAO document. However, this document refers to the *fees* collected for the Court building improvements and for retiree healthcare as “costs” without any legal analysis of the issue. A review of the report indicates not only is it unreliable, it is merely a compilation of amounts collected and distributed over a long period of time. The scope of the report was limited to an examination of the Court’s available month-end spreadsheets and the automated system revenue reports. It is not a legal analysis. Instead, the report merely makes an *assumption* that the charges were a *cost*. Not only is there no legal analysis of the fee vs. cost issue, there is no legal analysis of the legal implications and issues with assessing a fee for a designated purpose, accounting for the amount in a separate fund, and then not applying the amount to the assessed purpose, but distributing it to a political subdivision for its general fund as proposed by Appellants.

It is clear from the report that the amounts included in the report are not reliable. The report even contains a disclaimer on pages 2, 4, 5, 6, and 7 revealing its unreliability wherein the SCAO states:

“Please note information related to the actual contributions was not available for all of the reviewed fiscal years. The contributions were calculated using the JIS revenue amounts, splitting the OPCS revenues 50/50 between the building fund and retiree’s health care fund, and allocating 100% of the OPBF revenues to the building fund.”

Therefore, the SCAO document titled *Court Costs Distributions, Fiscal Years 1996 through 2012*, being an audit and not a legal analysis, does not establish that revenue from fees collected for building operations and retiree benefits are subject to revenue sharing under MCL 600.8379(1)(c).

One last note regarding the building and retiree health care fees. The assessment of fees for these valid expenses has spanned over twenty (20) years now. The record demonstrates that it was a matter of public record, the funds were audited annually, and were spent pursuant to the Court's budgets for the purposes for which they were assessed. If the Court were inclined to overturn the lower courts' ruling that the revenue from fees collected for building operations and retiree health care benefits are subject to revenue sharing under MCL 600.8379(1)(c), such decision should apply prospectively only.

Therefore, for the reasons set forth above, the revenue collected from fees assessed for the building operations and for retiree benefits are not subject to revenue sharing under MCL 600.8379(1)(c).

#### RELIEF REQUESTED

WHEREFORE, the Appellants have not, and cannot, demonstrate a clear error that would support granting leave to appeal. Both the Court of Appeals and the Trial Court correctly interpreted the unambiguous statutes and factual record when it ruled that the cities of Pleasant Ridge and Huntington Woods were not limited in their funding obligations for the operation of the Court by either the RJA or by a valid agreement between the parties. Because the decision of the Court of Appeals was not clearly erroneous, leave to appeal should be denied by this Court.

SECRET WARDLE

BY: /s/Nancy Cooper Green  
WILLIAM P. HAMPTON (P 14591)  
NANCY COOPER GREEN (P 39215)  
Attorneys for City of Oak Park  
2600 Troy Center Drive, P.O. Box 5025  
Troy, MI 48007-5025

Date: April 6, 2016  
3442819\_1

**INDEX TO EXHIBITS**

- Exhibit 1** Resolution of City of Pleasant Ridge adopted December 10, 1974
- Exhibit 2** Resolution of City of Huntington Woods adopted December 17, 1974
- Exhibit 3** Oak Park Resolution CM-04-290-83 adopted April 5, 1983
- Exhibit 4** Affidavit of Phil Miller
- Exhibit 5** Parts of City of Oak Park Annual Budget for Fiscal Year 2013-2014
- Exhibit 6** Parts of City of Oak Park Michigan Comprehensive Annual Financial Report for Fiscal Year 1995-1996
- Exhibit 7** Oak Park City Council Special Meeting Minutes April 27, 1995
- Exhibit 8** Oak Park Resolution CM-04-27-07 adopted April 26, 2007
- Exhibit 9** Oak Park Resolution CM-08-250-11 adopted August 15, 2011
- Exhibit 10** May 13, 2013 Letter of Demand from Sherry W. Ball, Pleasant Ridge City Manager, Alex R. Allie, Huntington Woods City Manager, and Kerry Morgan, Attorney for Charter Township of Royal Oak
- Exhibit 11** Oak Park Resolution CM-06-214-13 adopted June 3, 2013
- Exhibit 12** October 2012 Audit Report by Charlene McLemore, Auditor-Region 1

S E C R E T W A R D L E

# EXHIBIT 1

Commissioners received the memo from City Manager Barry of December 6, 1974 regarding the change from Municipal Court to 45-B District Court, the letter of November 29, 1974 from Judge Cooper and the letter of November 21, 1974 from City Manager Thompson of Oak Park regarding the needed resolution waiving the court location requirement for District 45-B Court.

Moved by Commissioner Slavens, supported by Commissioner Camp that the following resolution, as approved by City Attorney Gillis, be adopted:

WHEREAS, the Michigan Legislature by 1974 P.A. 145 has abolished the Municipal Court for the City of Pleasant Ridge effective January 1, 1975 and replaced it with the District Court for the 45-B District, a district of the third class, serving the cities of Pleasant Ridge, Oak Park, Huntington Woods and the Township of Royal Oak,

WHEREAS, under a provision of the District Court Act, MCLA 600.8251 (3) MSA 27A 8251, a district court of the third class is required by law to sit at each city having a population of 3,250 or more (at the last federal decennial census) unless the governing body of the city and the court agree that the court shall not sit in the city,

WHEREAS, the population of the City of Pleasant Ridge at the last federal decennial census was 3,989;

WHEREAS, the judges of the Oak Park Municipal Court, who will under the terms of 1974 PA 145, become the district judges of the 45-B District Court on January 1, 1975 have conferred with the appropriate officials of the City of Pleasant Ridge and with the City Commission and have agreed that the court location requirement of MCLA 600.8251 (3) shall be waived and that the district court for the 45-B District shall not be required to sit in the City of Pleasant Ridge,

WHEREAS, the City of Pleasant Ridge will not incur any expenses in connection with the operation of the new district court and will receive one-third of all fines assessed which originate in the City of Pleasant Ridge,

NOW, THEREFORE, BE IT RESOLVED that the City Commission of the City of Pleasant Ridge waives the court location requirement of MCLA 600.8251 (3); MSA 27A,8251 (3) so that the judges of District 45-B need not sit in the city limits of the City of Pleasant Ridge and the City of Pleasant Ridge will not incur any expense in connection with the operation of the new District Court and will receive one-third of all fines assessed which originate in the City of Pleasant Ridge.

YEAS: 5 NAYS: 0 ABSENT: 0

Mayor Scott will write a letter to Judge Charles Y. Cooper, Jr. expressing appreciation of his services to the City of Pleasant Ridge as Judge of the Municipal Court.

Moved by Commissioner Slavens, supported by Commissioner Camp, that the following resolution, as requested by Oakland County Treasurer, Hugh Dohany, be adopted:

WHEREAS, there may now be in and may hereafter from time to time come into the hands of E. Joan Reihm, Treasurer of the City of Pleasant Ridge, Michigan



# EXHIBIT 2

as follows:

443

12/17/74

Carried unanimously,

The Mayor thereupon declared said resolution adopted.

#### DISTRICT COURT

Mr. Wilfong presented a proposed resolution to be adopted if the City chooses to have District Court sit exclusively in the City of Oak Park. He added that Pleasant Ridge has already taken this action and that it would be his recommendation. If District Court were to be held in Huntington Woods the City would receive one hundred percent of fines levied rather than the thirty-three and one-third percent it would receive if Huntington Woods cases were heard in Oak Park. He listed the probable expenses of holding court in Huntington Woods, including adding judicial office and chamber space to the City Offices; acquiring recording equipment; furnishing a full time court clerk, a court officer when required, and a court stenographer; providing a minimal law library; and paying a percentage of the two judges' annual salaries. In addition there would be the disruption in the City Offices and the need for additional space for parking.

-137- Moved by Commr. Jones and supported by Commr. Peasley that the following resolution be adopted:

WHEREAS, the Michigan Legislature by 1974 PA 145 has abolished the Municipal Court for the City of Huntington Woods, effective January 1, 1975, and replaced it with the District Court for the 45-B District, a district of the third class, serving the cities of Huntington Woods, Oak Park, Pleasant Ridge and the Township of Royal Oak; and

WHEREAS, under a provision of the District Court Act, MCLA 600.8251 (3); MSA 27A.8251 (3), a district court of the third class is required by law to sit at each city having a population of 3,250 or more (at the last federal decennial census) unless the governing body of the city and the court agree that the court shall not sit in the city; and

WHEREAS, the population of the City of Huntington Woods at the last federal decennial census was 8,536; and

WHEREAS, the judges of the Oak Park Municipal Court who will, under the terms of 1974 PA 145, become the district judges of the 45-B District on January 1, 1975, have conferred with the appropriate officials of the City of Huntington Woods and with the city council and have agreed that the court location requirement of MCLA 600.8251 (3) shall be waived and that the district court for the 45-B District shall not be required to sit in the City of Huntington Woods;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Huntington Woods waives the court location requirement of MCLA 600.8251 (3); MSA 27A.8251 (3) so that the judges of District 45-B need not sit in the city limits of the City of Huntington Woods.

Upon said resolution being put to a vote the Commission voted thereon as follows:

Carried unanimously,

The Mayor thereupon declared said resolution adopted.

Mr. Hayward has been asked to prepare a resolution honoring Judge Christiansen for his service to the City.

#### COMMISSIONERS REMARKS

It was reported that Huntington Woods was used as a model in a solid waste disposal study by The National Commission on Productivity.

The work and expense involved in the removal of snow following the

# EXHIBIT 3

## M-04-290-83: RESOLUTION RE: DISTRICT COURT 45-B - ADOPTED

Motion by Councilman Demas supported by Councilman Frohlich:  
To adopt the following Resolution regarding District Court 45-B:

WHEREAS, the City of Oak Park has operated as the district control unit for the 45-B District Court since January 1, 1975 pursuant to the provisions of Act No. 154 of the Public Acts of 1968, which provides that in district courts of the third class, the district control unit is responsible for maintaining, financing and operating the district court within its political subdivision, and

WHEREAS, pursuant thereto, the 45-B District Court serves the political subdivisions of the City of Oak Park, City of Huntington Woods, City of Pleasant Ridge, and Township of Royal Oak, and

WHEREAS, since January 1, 1975 the City of Oak Park, as the district control unit for the 45-B District Court, has borne the total expense of operating said Court located within its municipal offices, and since 1975 the subsidy from the City of Oak Park General Operating Fund required to maintain the operations of said Court has grown from Fifteen Thousand Sixty-Three Dollars (\$15,063) to an estimated subsidy of Two Hundred Forty-Nine Thousand One Hundred Fourteen Dollars (\$249,114) in fiscal year 1983-84, and

WHEREAS, the revenues of the City of Oak Park are at their maximum under the limitations contained in the City Charter, and the City is faced with growing pressures on its budget by increased costs and expenses which are being incurred in spite of personnel reductions and cutbacks in City Services to its residents, and

WHEREAS, Section 8104 of Act No. 154 provides in pertinent part:

"(2) Except as otherwise provided in this act, a district control unit shall be responsible for maintaining, financing, and operating the court only within its political subdivision. In districts of the 3rd class, a political subdivision shall not be responsible for the expenses of maintaining, financing, or operating the district court, traffic bureau (office) or small claims division incurred in any other political subdivision except as provided by Section 8621 and other provisions of this act.

4-04-290-83: (Continued)

- (3) One or more district control units within any district may agree among themselves to share any or all of the expenses of maintaining, financing, or operating the district court. To become effective, such agreements must be approved by resolution adopted by the governing body of the respective political subdivisions entering into the agreement, and upon approval such agreements shall become effective and binding in accordance with, to the extent of and for such periods stated in that agreement.
- (4) The district control unit shall supply such law books and legal reference resources as it deems necessary. No subsidy from state funds shall be required to stock any district court created by this act with law books or other legal reference works."

and

WHEREAS, the City of Oak Park has been subsidizing the City of Huntington Woods, City of Pleasant Ridge and Township of Royal Oak by providing district court services in the City of Oak Park, and

WHEREAS, the City of Oak Park has determined that it is no longer economically able to fund all of the operations of the 45-B District Court solely within the boundaries of the political subdivision of Oak Park, and

WHEREAS, the increase in the number of civil jury trials required to be disposed of by the 45-B District Court, due to remands of such cases from the Oakland County Circuit Court, has added a tremendous burden to the already overcrowded docket of the 45-B District Court, and

WHEREAS, the facilities for the operation of the 45-B District Court located within the political subdivision of the City of Oak Park are woefully inadequate to handle the operations of said Court, as concluded by the Study of Court Facilities conducted by the University of Michigan, under the auspices of the State Bar of Michigan, and

WHEREAS, due to the inadequate facilities and inability of the City of Oak Park to adequately fund the operations of the 45-B District Court, the citizens who reside within the boundaries of the 45-B District Court are unjustly burdened because of delays in disposition of their cases, and the ability of the District Court Judges to dispose of all matters required to come before them is severely impeded thereby, and

April 5, 1983  
Page Eleven

I-04-290-83: (Continued)

WHEREAS, Section 8261 of Public Act 154 provides:

"Court facilities shall be provided at those places where the court sits. In districts of the first and second class they shall be provided by the county and in districts of the third class they shall be provided by such political subdivision where the court sits."

and

WHEREAS, the Judges of the 45-B District Court have expressed to the City of Oak Park their inability to properly dispose of cases on their docket due to the inadequacy of facilities located within the City of Oak Park municipal offices and the low level of funding available from the City of Oak Park, and have expressed their desire and intent to have the 45-B District Court sit in other political subdivisions within the 45-B District Court boundaries, unless adequate facilities are provided within the political subdivision of the City of Oak Park, and

WHEREAS, the City Council of the City of Oak Park deems the inadequacy of court facilities and overloaded docket to be an emergency situation requiring prompt relief from all sources available,

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS;

1. That the City of Huntington Woods, City of Pleasant Ridge and Township of Royal Oak each are hereby requested, pursuant to Section 8261 of Public Act 154, to provide court facilities within each of their political subdivisions, and to provide for the maintenance, financing and operation of the 45-B District Court within their political subdivisions as required by Section 8104 of Public Act 154.
2. That in the alternative, the City of Huntington Woods, City of Pleasant Ridge and Township of Royal Oak are hereby requested to enter into an agreement with the City of Oak Park to share all of the expenses of maintaining, financing and operating the 45-B District Court at a location within the boundaries of the political subdivision of the City of Oak Park.



April 5, 1983

Page Twelve

4-04-290-83: (Continued)

3. That the Michigan legislature is hereby urged to enact emergency legislation to appropriate the necessary funds to relieve the City of Oak Park from its burden of subsidizing the operations of the 45-B District Court, and to amend Act 154 to provide for an annual subsidy to the district control units charged with the responsibility of maintaining, financing and operating third class district courts.
4. That the Honorable Governor of the State of Michigan and the Michigan Supreme Court be requested to join the City of Oak Park in urging the Michigan legislature to appropriate sufficient emergency funds for the purposes aforesaid.
5. That State Representative Joseph Forbes be requested to seek from the Attorney General of the State of Michigan an opinion as to whether the provisions for financing district courts throughout the State of Michigan are violative of the equal protection provisions of the Michigan Constitution, inasmuch as they inequitably burden taxpayers within different political subdivisions by requiring those within third class district courts to fund through their tax dollars the operations of both first and second class district courts, as well as third class district courts, while residents of first and second class district courts are not equally burdened.

BE IT FURTHER RESOLVED that copies of this Resolution be sent to State Senator Jack Faxon, State Representative Joseph Forbes, Governor James J. Blanchard, Michigan Supreme Court Justice G. Mennen Williams, the City of Huntington Woods, City of Pleasant Ridge, and Township of Royal Oak, and District Court 45-B Judges Marvin F. Frankel and Benjamin F. Friedman.

ROLL CALL VOTE: Yes, Frohlich, Rothstein, Naftaly, Demas, Disner  
No, None

-04-291-83: CITY ATTORNEY - EXECUTIVE (CLOSED) SESSION

Motion by Mayor Pro Tem Naftaly supported by Councilman Frohlich: To meet with Assistant City Attorney Goodman in executive (closed) session to discuss pending legislation following the adjournment of this Regular Council Meeting of April 5, 1983.

ROLL CALL VOTE: Yes, Rothstein, Naftaly, Demas, Disner, Frohlich  
No, None

# EXHIBIT 4

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF OAKLAND

CITY OF HUNTINGTON WOODS, a  
Michigan Municipal Corporation; and  
CITY OF PLEASANT RIDGE, a  
Michigan Municipal Corporation,

Case No. 2013-135842-CZ

Hon. Rudy J. Nichols

Plaintiffs/Counter-Defendants,

v.

CITY OF OAK PARK, a Michigan  
Municipal Corporation; and 45<sup>TH</sup> DISTRICT  
COURT, a division of the State of Michigan,  
jointly and severally,

Defendants/Counter-Plaintiff.

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BEIER HOWLETT, P.C.

By: Timothy J. Currier (P28939)

Keith C. Jablonski (P62111)

*Attorneys for Plaintiffs/Counter-Defendant*

200 E. Long Lake Rd., Suite 110

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284-645-9400

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[kjablonski@bhlaw.us.com](mailto:kjablonski@bhlaw.us.com)

SECREST WARDLE

By: William P. Hampton (P14591)

Nancy Cooper Green (P39215)

*Attorneys for Defendant/Counter-Plaintiff*

*City of Oak Park*

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[ncgreen@secrestwardle.com](mailto:ncgreen@secrestwardle.com)

DICKINSON WRIGHT PLLC

By: Peter H. Webster (P48783)

*Attorneys for Defendant, 45<sup>th</sup> District Court*

2600 W. Big Beaver, Suite 300

Troy, Michigan 48084

248-433-7200

[pwebster@dickinsonwright.com](mailto:pwebster@dickinsonwright.com)

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AFFIDAVIT OF PHILLIP MILLER

STATE OF MICHIGAN     )  
   ) ss.  
 COUNTY OF OAKLAND    )

Affiant having been duly sworn, states as follows:

1. If called upon to testify, I am competent to give testimony in all areas covered by this Affidavit.
2. That I am the Senior Financial Analyst for the City of Oak Park.
3. That I have been the Senior Financial Analyst since May 2013.
4. That as the Senior Financial Analyst, I have personal knowledge of the Budgets of the City of Oak Park, the Comprehensive Annual Financial Reports of Oak Park, the Municipal Building Construction Fund No. 470, the Retiree Health Care-District Court Fund No. 678, the 45<sup>th</sup> District Court Fund No. 276, and the City of Oak Park General Fund budget receipts and distributions for the 45<sup>th</sup> District Court.
5. I have reviewed the amounts of fine and cost revenue distributed to the City of Oak Park by the 45<sup>th</sup> District Court and the annual expenses of maintaining, financing, and operating the 45<sup>th</sup> District Court and the net effect is that the City of Oak Park has contributed general fund money toward the expenses of the 45<sup>th</sup> District Court.
6. For the last six (6) fiscal years, the expense of maintaining, financing, and operating the 45<sup>th</sup> District Court exceeded the amount of fine and cost revenue distributed to the City of Oak Park resulting in the City of Oak Park contributing a total of \$931,142.84 of General Fund revenue (in excess of receipts from the courts (101-000-659.000) toward the direct expense of maintaining, financing, and operating the 45<sup>th</sup> District Court in the following annual amounts through account number 101-21-890-999.136:

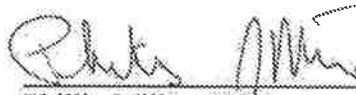
<u>Fiscal Year</u>	<u>Amount Contributed by Oak Park</u>
2012-2013	\$ 7,952.70
2011-2012	\$ 130,581.27
2010-2011	\$ 120,926.34
2009-2010	\$ 282,408.80
2008-2009	\$ 204,923.92
2007-2008	\$ 184,349.81

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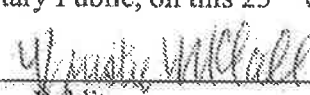
Total Contributions: \$ 931,142.84

7. The City of Oak Park has annually appropriated funds for the operation of the 45<sup>th</sup> District Court through the non-departmental appropriation (101-21-890-999.136).
8. The City of Oak Park is the only funding unit that has paid for the expenses of the 45<sup>th</sup> District Court that exceed the amount of fine and cost revenue distributed.

Further, affiant sayeth not.

  
Phillip Miller  
Senior Financial Analyst  
City of Oak Park

Subscribed and sworn to before me,  
a Notary Public, on this 23<sup>rd</sup> day of December, 2013

  
Notary Public  
St. Clair County, Michigan  
My Commission Expires: August 22, 2017  
Acting in the County of Oakland

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KRISTIE McFALL  
Notary Public, State of Michigan, County of St. Clair  
My Commission Expires August 22, 2017  
Acting in the County of Macomb

# EXHIBIT 5



**CITY OF OAK PARK**  
**OAKLAND COUNTY, MICHIGAN**  
**ANNUAL BUDGET**  
**FOR FISCAL YEAR 2013 – 2014**  
**ADOPTED May 20, 2013**

**Marian McClellan, Mayor**

**Angela Diggs Jackson, Mayor Pro Tem**

**Michael M. Seligson, Council Member**

**Paul H. Levine, Council Member**

**Emile J. Duplessis, Council Member**



**Prepared By:**  
**The Department of Finance and**  
**Administrative Services**

\$825,597 over the FY 2012-2013 appropriation. This budget includes a proposed increase in Water rates of 4.4%. Sewer disposal rates are requested to increase from \$60.79 per 1,000 cubic feet to \$63.46 per 1,000 cubic feet. This increase is necessary due to an estimated 4.4% increase in the wholesale sewage rate from Oakland County.

Recommended in the Water & Sewer Fund is \$275,000 for replacement of the water mains and the repair of sewers. Also recommended is \$47,000 for replacement of vehicles.

This budget includes expenditures for the 12 Towns Drain System (George W. Kuhn Drain). Construction has begun and nine bonds have been issued to pay for the cost. The City is responsible for 13.48% of the cost. Debt payments have been built into this budget and sewer rates increased to meet our obligations. The George W. Kuhn Drain debt payment is \$1,154,251 in FY 2013-2014.

### INTERNAL SERVICE FUNDS

The City's Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis. These funds use the flow of economic resources for measurement purposes and the full accrual basis of accounting for budget purposes. Their objective is to recover the full cost of supplying the goods or services.

#### RISK MANAGEMENT FUND:

The Risk Management Fund is used to fund Workers Compensation and Property and Liability insurance. The proposed appropriation for this fund is \$329,548, a decrease of \$210,032 from FY 2012-2013 budget. The decrease is due to smaller workers compensation premiums and a reduced work force. The City has reduced its claims as evidenced by a .86 Experience Modifier. This is a measure of how we compare to other entities in the Michigan Municipal League Worker's Compensation Fund. Our experience is in alignment with other fund participants.

#### RETIREE HEALTH CARE:

The Retiree Health Care Funds consist of two parts: the costs of health care for retirees of the 45<sup>TH</sup> District Court and the costs of health care for all other retirees.

This 45<sup>TH</sup> District Court fund was created in FY 95/96 and is funded by a \$15.00 per ticket charged levied by the District Court. A recommendation is made to transfer \$146,149 from the District Court Fund to avoid a deficit in this fund. An appropriation of \$280,377 is requested for cost of premiums for retirees.

No transfer from the General Fund is included in this year's request for City of Oak Park Retirees. Premiums will continue to be paid on a pay-as-you-go basis. No appropriation is requested.

#### CENTRAL SERVICES:

An appropriation of \$74,250 is requested, \$150.00 less than the FY 2012-2013 appropriation. This fund is used for the accounting for postage, scanning and paper purchased by the City.

#### MOTOR POOL:

The Motor Pool is used for the purchase and maintenance of the City's fleet. Its revenues come from rental charges for equipment to other funds. The total appropriation requested for this fund

is \$930,989, an increase of \$315,029 from the FY 2012-2013 appropriation. It is recommended to purchase five police vehicles. There was one new vehicle in the FY 2012-2013 budget.

### **CAPITAL PROJECT FUNDS**

Capital Project Funds are used to account for financial resources to be used for the acquisition of major capital facilities. Capital Project Funds use the modified accrual basis of accounting for budgeting that recognizes revenue when it is both measurable and available.

#### **PUBLIC IMPROVEMENT FUND:**

There is no appropriation requested this year.

#### **SIDEWALKS:**

An amount of \$30,000 is proposed for the Sidewalk Program in the FY 2013-2014 budget. A Special Assessment charged to the citizen receiving the benefit support these expenditures.

#### **CITY OWNED PROPERTY FUND:**

The City came into possession of several lots on Coolidge Ave (known as the Kalabat property), in July 2010 through tax reversion. This property was purchased for outstanding delinquent tax amounts. They are currently up for sale. The appropriation of \$10,000 is for the upkeep of this property.

#### **NEIGHBORHOOD STABILIZATION PROGRAM (NSP) FUND:**

The City has purchased twenty-three homes to date. Seventeen homes have been sold. Five homes have been demolished, while one property was rebuilt and sold to an eligible purchaser. The remaining parcels will not be developed unless additional funding becomes available.

The City is eligible for \$120,000 in the Neighborhood Stabilization Program (NSP) provided by the federal government. An appropriation of \$120,000 is recommended for FY 2013 – 2014 which will be reimbursed with federal funds.

#### **ROAD CONSTRUCTION FUND:**

In November 2002 voters approved borrowing \$22.5 million for the reconstruction and rehabilitation of roads in the City. The City sold \$11.5 million in bonds in March 2003 to fund the first phase of this road program. The entire \$11.5 million is expended. The City sold \$11 million in bonds in April 2006 to fund the final phase of this road program. An appropriation of \$375,000 is recommended for FY 2013-2014 to provide maintenance to our streets.

#### **MUNICIPAL BUILDING CONSTRUCTION FUND:**

The Municipal Building Construction Fund was created in FY 95-96 to account for the construction of municipal buildings. Funding is supplied by a \$20.00 per ticket charge levied by the District Court. An appropriation of \$44,700 is recommended for FY 2013-2014 for minor renovations and a new telephone system.

#### **MUNICIPAL COMPLEX FACILITY FUND:**

The Municipal Complex Facility Fund was created in FY 2010-2011 to construct, reconstruct, remodel, add to, furnish and equip a city hall, a public safety building, a library building, a

# EXHIBIT 6

FINANCE DIRECTOR

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**CITY OF OAK PARK**

**MICHIGAN**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**



**FISCAL YEAR ENDED JUNE 30, 1996**



## INDEPENDENT AUDITORS' REPORT

November 14, 1996

Members of the City Council  
City of Oak Park  
Oak Park, Michigan

We have audited the accompanying general purpose financial statements of the *City of Oak Park, Michigan* as of and for the year ended June 30, 1996 as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, "*Government Auditing Standards*", issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the *City of Oak Park* at June 30, 1996, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.



In accordance with *Government Auditing Standards*, we have also issued a report dated November 14, 1996 on our consideration of the *City of Oak Park's* internal control structure and a report dated November 14, 1996 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the *City of Oak Park*. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the statistical section presented on pages 103 through 118 and, accordingly, express no opinion thereon.

A handwritten signature in cursive script, appearing to read "Lehmann Robson".

**CITY OF OAK PARK, MICHIGAN  
1993 STREET REFUNDING BOND FUND  
STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 1996**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Property taxes	\$839,797	\$839,445	(\$352)
Interest income	19,656	20,965	1,309
TOTAL REVENUES	859,453	860,410	957
EXPENDITURES			
Debt service:			
Principal	125,000	125,000	-
Interest and charges	739,215	736,488	2,727
Other	7,147	-	7,147
TOTAL EXPENDITURES	871,362	861,488	9,874
REVENUES (UNDER) EXPENDITURES	(11,909)	(1,078)	10,831
FUND BALANCE, BEGINNING OF YEAR	103,160	103,160	-
FUND BALANCE, END OF YEAR	\$91,251	\$102,082	\$10,831

## **CAPITAL PROJECT FUNDS**

Capital Project Funds are used to account for financial resources to be used for the acquisition of major capital facilities. Capital Project Funds use the modified accrual basis of accounting which recognizes revenue when it is both measurable and available. They are subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

### **MUNICIPAL BUILDING CONSTRUCTION FUND:**

This fund was created to account for expenditures made to construct a new District Court Building. It is funded by a \$5.00 per ticket charge on fines levied by the District Court 45B.

### **SIDEWALK PROGRAM:**

This fund is used for the construction and repair of sidewalks. Construction is administered by the City and billed to home owners. Unpaid invoices are assessed on the property tax bill.

### **1991 STREET IMPROVEMENT CONSTRUCTION FUND:**

This fund are used for the construction of streets within the City limits and are funded by general obligation debt.

### **PUBLIC IMPROVEMENT FUND:**

This fund is used for the acquisition and construction of projects approved by the City Council.

CITY OF OAK PARK, MICHIGAN  
CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 1996

	MUNICIPAL BUILDING CONSTRUCTION	SIDEWALK PROGRAM	1991 STREET IMPROVEMENT CONSTRUCTION	PUBLIC IMPROVEMENT	TOTAL
<u>ASSETS</u>					
Special assessments receivable	\$ -	\$35,951	\$6,032	\$ -	\$41,983
Accounts receivable	-	463,015	874	-	463,889
Due from other funds	69,824	-	561,141	566,521	1,197,486
<u>TOTAL ASSETS</u>	<u>\$69,824</u>	<u>\$498,966</u>	<u>\$568,047</u>	<u>\$566,521</u>	<u>\$1,703,358</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES</u>					
Accounts payable	\$ -	\$183,749	\$1,114	\$ -	\$184,863
Due to other funds	-	199,645	-	-	199,645
Deferred revenue	-	35,951	6,906	-	42,857
<u>TOTAL LIABILITIES</u>	<u>-</u>	<u>419,345</u>	<u>8,020</u>	<u>-</u>	<u>427,365</u>
<u>FUND BALANCES</u>					
Reserved for capital improvements	69,824	79,621	560,027	566,521	1,275,993
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$69,824</u>	<u>\$498,966</u>	<u>\$568,047</u>	<u>\$566,521</u>	<u>\$1,703,358</u>

## **INTERNAL SERVICE FUND**

The City's Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other department or agencies of the City, or to other governmental units, on a cost-reimbursement basis. These funds use the flow of economic resources for measurement purposes and the full accrual basis of accounting. Their objective is to recover the full cost of supplying the goods or services. They are subject to the informational budget summary requirements of Act 2 of the Public Acts of 1968, as amended.

### **WORKERS COMPENSATION FUND:**

The Workers Compensation Fund is used to accumulate resources from other funds which utilize labor and to pay workers compensation premiums to the Michigan Municipal League's Workers Compensation Pool.

### **CENTRAL SERVICES FUND:**

The Central Services Fund is used to account for Printing, Duplicating, and Mail services performed for the City's departments.

### **MOTOR POOL FUND:**

The Motor Pool Fund is used for the purchase and maintenance of the City's fleet. Its revenues come from rental charges for equipment to other funds.

### **RETIREE'S HEALTH CARE FUND:**

The Retiree's Health Care Fund is used to accumulate resources to fund medical benefits for retiree's of the District Court 45-B. The revenues are provided by a \$5.00 per ticket charge added on to violation fees.

**CITY OF OAK PARK, MICHIGAN  
INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 1996**

	WORKER'S COMPENSATION	CENTRAL SERVICES	MOTOR POOL	RETIREES HEALTH CARE	TOTAL
<b>ASSETS</b>					
Due from other funds	\$586,665	\$72,361	\$340,886	\$69,421	\$1,069,333
Inventories	-	13,987	18,899	-	32,886
Prepaid expenses	52,684	-	-	-	52,684
Fixed assets net of accumulated depreciation	-	-	956,594	-	956,594
<b>TOTAL ASSETS</b>	<b>\$639,349</b>	<b>\$86,348</b>	<b>\$1,316,379</b>	<b>\$69,421</b>	<b>\$2,111,497</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>LIABILITIES</b>					
Accounts payable	\$93	\$3,632	\$23,422	\$-	\$27,147
Accrued and other liabilities	235,000	-	27,280	-	262,280
Due to other funds	25	56,891	-	-	56,916
<b>TOTAL LIABILITIES</b>	<b>235,118</b>	<b>60,523</b>	<b>50,702</b>	<b>-</b>	<b>346,343</b>
<b>FUND EQUITY</b>					
Contributed capital	-	-	980,615	-	980,615
Retained earnings:					
Reserved for self insurance payable	404,231	-	-	-	404,231
Reserved for retiree health care	-	-	-	69,421	69,421
Unreserved	-	25,825	285,062	-	310,887
<b>TOTAL FUND EQUITY</b>	<b>404,231</b>	<b>25,825</b>	<b>1,265,677</b>	<b>69,421</b>	<b>1,765,154</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$639,349</b>	<b>\$86,348</b>	<b>\$1,316,379</b>	<b>\$69,421</b>	<b>\$2,111,497</b>



# EXHIBIT 7

CITY OF OAK PARK  
MICHIGAN  
SPECIAL COUNCIL MEETING MINUTES  
APRIL 27, 1995

This Special Meeting of the Council of the City of Oak Park was called for the purpose of studying the proposed 1995/96 Fiscal Year Budget, and any other items of business which may legally come before the Council at such a meeting.

Notice of this Special Meeting was given in compliance with the provisions of Act 267 of the Public Acts of Michigan, 1976.

The meeting was called to order at 7:10 P.M. by Mayor Gerald E. Naftaly.

PRESENT: Mayor Naftaly, Mayor Pro Tem Abrams, Councilman Demas, Councilman Fröhlich, Councilman Seligson, City Manager Fitzpatrick, Assistant City Manager Hock, City Clerk Gadd, Finance Director Ghedotte, 45-B District Judges Frankel and Friedman, Court Administrator Pilon, Community Services Clinical Supervisor North

ABSENT: None

**DISTRICT COURT 45-B**

Administrator Pilon presented the District Court 45-B budget. In response to Council, she stated the two Magistrates are listed under Professional Services along with the Court Officers. There have been some slight transfers, for instance, software is under Contractual Services.

Councilman Demas asked what the effect would be on the Court if the City went to decrimilization of Code violations.

Judges Frankel and Friedman stated due to the small amount of the cases involved in the Code violations, the effect would be minimal. In addition, if they are decrimilized, it results in good public relations.

Councilman Demas addressed comments by the Prosecuting Attorney about possible conflicting instruction given by Code Enforcement to residents. He asked if the Judges were aware of any problems in this area.

Judges Frankel and Friedman stated they are not aware of this problem. They discussed junk car tickets and violations related to certificates of occupancy.

Judge Frankel stated their largest problem is domestic violence. He discussed Public Safety response requirements and hearing of the cases by the Magistrate. He stated they are seeing ten cases per week. It is time consuming and expensive. In most cases, charges are being withdrawn by the victims. He suggested expansion of the Emergency Cost Recovery Ordinance to include domestic violence cases. It then becomes a user fee to cover the cost of our Public Safety Department.

Mayor Naftaly questioned inclusion by the Court of Retiree Health Benefits of \$100,000.

Judge Friedman suggested their retirees stay in the City's Insurance Plan. They are not requesting to come back into the City's Retirement Plan, but rather to pay the City to participate in their Blue Cross Program. They plan to add \$5.00 per ticket to cover the cost of insurance for retirees. If they got their own plan, it would cost \$15,000 more than participating in the City's Blue Cross Program.

City Manager Fitzpatrick stated inclusion of the Court retirees in the City's Insurance Program could raise our costs.

Judge Frankel stated their current fees are low now. We could add more than \$5.00 per ticket if necessary.

Mayor Naftaly stated he was hoping the fee increase would fund a new Court facility.

Judge Frankel stated we would have to go over everything, but there is room to increase fines.

Mayor Naftaly discussed a proposal being reviewed related to the State Police and issuance of traffic tickets through our Court. The District Control Unit would be reimbursed a third, the City of Oak Park would receive a third, and the agency issuing the ticket would receive a third.

Judge Frankel stated Civil Infractions do not require a Prosecutor. They are usually just traffic violations. The average Civil Infraction is worth about \$80.00 to us.

Judge Friedman stated they would be happy to go with the City to discuss the matter with the legislature or assist in drafting legislation.

Mayor Naftaly stated the City Attorney has changed the City's Traffic Code Ordinance numbers to match State citations. He will contact the State Police to see where the hold up is.

Judge Friedman stated the Civil Infractions could be handled here and the Misdemeanors could be handled at the place of venue.

In response to Councilman Demas, Administrator Pilon stated we handled about 540 State Civil Infractions this year. Last year it was approximately 700.

Judge Frankel stated this is a good time to propose money-saving ideas for the State, and this is a step in that direction.

Judge Friedman referred back to the issue of Retiree Health Benefits. He suggested setting up a meeting to discuss various options.

Mayor Naftaly referred the matter of Retiree Health Insurance to the City Manager for a meeting with the Judges.

Judge Frankel discussed funds sent to the Crime Victim's Compensation Fund from tickets related to driving with a suspended license.

Judge Frankel stated operations all depend on the writing of tickets by Public Safety. He noted Royal Oak Township brought in only \$3,000 less than the City of Oak Park, and they only have 11 officers.

Discussion followed on Royal Oak Township and the City of Royal Oak writing tickets to overweight trucks.

City Manager Fitzpatrick stated this is hurting economic development.

City Manager Fitzpatrick stated there is a dispute about what rate should be contributed to the Retirement System for District Court 45-B. The Court's rate should be the same rate as ours.

Judge Frankel stated we have different types of plans. The Court has a Defined Benefit Plan, and the City has an Undefined Plan. The Court was initially consistant with the City.

City Manager Fitzpatrick read a history of contribution rates.

Judge Friedman suggested that they go down to the City's rate and the City pick up the \$100,000 cost of funding the Court's Retiree Health Care.

Mayor Naftaly suggesting going over the matter of retirement contribution rates with the City Attorney.

Administrator Pilon stated she could supply the City a copy of their Plan.

City Manager Fitzpatrick stated the Judges can contact Assistant City Manager Hock to discuss health care.

Finance Director Ghedotte discussed problems with collecting fees under the Emergency Cost Recovery Ordinance and asked if the fees could become part of probation fees or a condition of probation.

Administrator Pilon stated this would increase probation costs.

Judge Frankel stated the City could file complaints in Small Claims Court. A major concern would be if we get into a situation where we are charging twice for the same violation. However, some of the offenders may be motivated to come in and pay just by receiving a Complaint.

Judge Friedman stated you can also put a garnishment on their income tax return.

Judge Friedman stated they will work with Finance Director Ghedotte to help him develop a simple Complaint form.

#### **COMMUNITY SERVICES**

Community Services Clinical Supervisor North discussed water shut-off cases.

City Manager Fitzpatrick commended Supervisor North for making this Department work in the face of cut backs.

Supervisor North discussed caseload, referrals, and the increase in domestic violence cases. She stated one of the biggest problems is that domestic violence cases are not mandated, to come into counseling as a couple. One person is designated as the offender when it is usually caused by both of them.

Council referred to a discussion by the Judges related to counseling for couples. They suggested Supervisor North discuss the matter with the Judges.

Councilman Demas asked if the \$1,000 listed for revenue was from fees. Supervisor North stated this is for service fees. We are operating on a sliding scale based on ability to pay.

In response to Councilman Demas, Supervisor North discussed duties of the Administrative Clerk.

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Discussion followed on the operation of the food closet.

Mayor Naftaly noted a portion of the wedding fees have been allocated to Community Services. It is in an escrow account. Finance Director Ghedotte stated he will have the Municipal Accountant contact Supervisor North.

Discussion followed on attendance and vacancy problems on the Community Services Advisory Board. It was noted the Board needs more of a mission. Questions were raised as to whether we actually need the Board since the function of Community Services is now more clinical.

Discussion followed on the problem of getting applications for boards and commissions. Mayor Pro Tem Abrams suggested having an insert of an actual application in the Oak Park Report along with a story encouraging volunteers.

Mayor Naftaly suggested we ask existing board members for recommendations of people who may be interested in serving on the Community Services Advisory Board.

Council asked what more is needed in Community Services. Supervisor North stated she should like a computer for the Administrative Clerk.

Councilman Seligson asked if there is any area we can be proactive rather than reactive.

Supervisor North stated we could be proactive in domestic violence cases by requiring counseling for the couple rather than working with one person who is viewed as the bad one. Also, working with people ahead of time who may have problems paying their water bills rather than dealing with them when they are getting their water shut off.

Supervisor North suggested inclusion of a letter in one of the late payment notices for water bills offering assistance by Community Services.

Mayor Naftaly suggesting contacting agencies to see if they would sponsor seminars on domestic violence for clients of Community Services.

#### **NON-DEPARTMENTAL**

Councilman Seligson asked why there is only \$5,000 budgeted in the Fireworks line item.



Finance Director Ghedotte stated there is \$5,000 budgeted in Non Department, \$5,000 in Recreation and funds available in the 50th Anniversary Celebration account.

Discussion followed on Unemployment Compensation.

Councilman Seligson asked about the lower cost for the Boards & Commissions Dinner as compared to the Employee Recognition Dinner.

Finance Director Ghedotte stated the \$15,000 figure for the Employee Recognition Dinner is wrong. The actual cost was \$6,976.90. It was suggested this be reduced to \$10,000.

It was noted the District Court figures will have to be changed.

Finance Director Ghedotte presented three scenarios for the budget of District Court 45-B. He noted the Probation Department is showing less revenue and is looking for funding of \$42,526 from the General Fund.

Councilman Seligson stated we need to approach the Court to discuss what they can do to help fund this. Maybe they can increase their Probation charges.

Discussion followed on the District Court's Retirement Plan. Council directed that we seek legal counsel before agreeing to the retirement contribution rate of 19.2%.

The meeting continued with further discussion on Non-Departmental. Finance Director Ghedotte stated the Community Promotion line item of \$16,719 has to be split out into Fireworks, Employee Recognition Dinner, Boards & Commissions Dinner, and Signs.

Finance Director Ghedotte pointed out a correction to the Prosecuting Attorney's Budget where the amount of \$1,802.50 was charged to the City Attorney's account in error.

Council commended Finance Director Ghedotte on the budget presentation and the improvement over past years.

The next budget meeting was scheduled for next Thursday, May 4, 1995, at 7:00 P.M. In addition to a final overview, discussion will take place on Code Enforcement/Code Assistance, finalization of Prosecutor's salary, and the District Court budget.

Meeting Adjourned: 10:16 P.M.

Sandra K. Gadd, City Clerk

Gerald E. Naftaly, Mayor

# EXHIBIT 8

CITY OF OAK PARK  
MICHIGAN  
SPECIAL COUNCIL MEETING  
APRIL 26, 2007

This Special Meeting of the Council of the City of Oak Park was called for the purpose of reviewing the proposed fiscal year 2007-2008 budget, and any other items of business that may legally come before the Council at such a meeting.

Notice of this Special Meeting was given in compliance with the provisions of Act 267 of the Public Acts of Michigan, 1976, as amended.

The meeting was called to order at 6:07 P.M. by Mayor Gerald E. Naftaly.

**PRESENT:** Mayor Naftaly, Mayor Pro Tem Seligson, Council Member Yousif

**ABSENT:** Council Member Horton (absent at roll call, arrived at 6:12 P.M.)  
Council Member Jackson (absent at roll call, arrived at 6:09 P.M.)

**ALSO PRESENT:** City Manager Hock, Assistant City Manager Srini, Finance Director Ghedotte, City Clerk Gadd, City Attorney Carlson, Public Safety Director McNeilance, Deputy Public Safety Director Cooper, Fire Marshal Petrides, District Court 45-B Judge Friedman Appel, Court Administrator Boggemes

#### **DISTRICT COURT 45-B**

Judge Appel stated Judge Gubow is still recuperating from surgery. She will present the budget with Court Administrator Boggemes.

When the City changed the health care plan last year to Community Blue, Court employees were given the option to change, but it wasn't mandatory. They have had 60% of the employees voluntarily change from traditional Blue Cross, to a PPO, or an HMO, with a \$10/\$20 co-pay. The cost savings is approximately \$40,000. The employees that changed plans have been completely satisfied. However, they have some employees that have family members with health problems, and they are hesitant to make any change.

Mayor Naftaly stated they still want everyone in the Court to be on an equal co-pay basis as the City employees. No one in the City was allowed to choose. They allowed the Court to try to get the employees to change, and a meeting was to be held in 90 days; but we never got together to discuss this matter.

Judge Appel stated if the City forces the issue, there could be a major lawsuit and the possibility of the formation of a union by the Court employees.

Council Member Yousif asked if we could overlay the new benefit administration proposal, with the Oak Point Group for traditional coverage.

City Manager Hock stated he will check on this with Mr. Anthony of Oak Point Group.

Judge Appel stated she doesn't think the City can mandate the Court to change. They have some employees who have family members with serious health issues. There is concern that the coverage would change.

Council Member Jackson stated having 60% of the employees change coverage looks promising. We can work with this.

Judge Appel stated she is willing to arrange a meeting to discuss the subject.

Mayor Pro Tem Seligson stated he hasn't been happy about changing either. Some things have been positive, and some have been negative.

Judge Appel agreed. Even though the prescription costs are higher, the office visit costs are only \$10.00.

City Manager Hock stated his office can facilitate a meeting with the employees to help them understand the new plans. Mr. Anthony, of Oak Point Group, stated he would be happy to come out and give a presentation on the benefit administration proposal.

Administrator Boggemes asked if someone could also explain to the employees the flexible spending plan where employees can have money taken out for health care using pre-tax dollars.

Assistant City Manager Srini stated he can explain this program to the employees. He will contact Administrator Boggemes to set up a date and time.

Judge Appel discussed their caseload. Page 1 of their budget request was reviewed. Their caseload is up. Projected revenue for this year is \$200,000. Their collections are up. They are issuing bench warrants and have become extremely aggressive. They have consolidated several dockets, and this is particularly advantageous to the City. They are having Public Safety officers come in on Wednesday mornings, and they have eliminated two days of overtime. They have also done this for Code Enforcement. They are coming in two days a month as opposed to four days a month. The time is reduced to a couple of hours versus four hours. These changes have been made this year to increase efficiency, reduce the City's costs, and work within the confines of the building restrictions.

Judge Appel discussed their expenditure requests and discussed the comparison of prior budgets. Page 5, of the Budget Comparison was reviewed. An increase in expenditures is projected due to increases in wages and fixed operating costs. Operational cuts are being proposed by the City Manager in Professional Services and Contractual Services. They have

requested \$39,000 for Professional Services, and the City Manager's recommendation is \$27,000, or a reduction of \$12,000. The Professional Services account is for computer service agreements and legal service. They would like to keep the full \$12,000 in the budget, but would agree to \$8,000. The Contractual Services Account is for the Court Officers. If this account is cut, overtime will increase approximately \$15,000 - \$20,000. They requested \$175,200, and the City manager's recommendation is \$162,844. They requested that the full \$12,356 be restored, to bring this back to \$175,200. The Repairs & Maintenance Account request was for \$56,100; and the City Manager's recommendation is \$43,000. They would agree to forego this \$13,100 increase.

Administrator Boggemes explained computer maintenance required for the Court system.

Judge Appel discussed retiree health care and requested the transfer of any savings in expenditures from the current budget to the District Court Retirees Health Care Fund. The amount is \$37,407.

Judge Appel presented a proposed resolution, regarding the 45-B District Court Building Fund and Retiree Health Plan Fund Increase, and requested Council to adopt this resolution. They still have to check the legality of this resolution. It is their intent to increase the \$5.00 per ticket fee levied on each ticket to \$10.00 for the Building Fund. It is their intent to increase the \$5.00 per ticket fee levied on each ticket to \$10.00 for the purpose of the Retiree Health Plan Fund. It is their intent to add a \$100.00 in costs in serious and specified misdemeanors for the purpose of the Building Fund. Their projection is this will increase the Building Fund to \$300,000 per year.

Judge Appel urged Council not to make any changes in the retiree health plan. They will definitely face a lawsuit from the retirees, and in particular, from retired Judge Frankel. They urge the Council to keep Acct. No. 999.101, Transfer to Retirees Health care, at \$37,407. This will be funded by the increase in the per-ticket fee.

Judge Appel discussed the caseload and crowded conditions in the Probation Department. She stated the Probation Officers handle approximately 200 cases each. Their workload has increased significantly.

Administrator Boggemes discussed a volunteer/intern program they have implemented through grant funds. They are utilizing volunteers and interns to help keep up with the workload in the Probation Department. She discussed overcrowded conditions in the Probation Department. They have researched the use of portable office space, and they can cover the cost through their building fund. They need these to improve the operation of Probation because of the space limitations of this building. They would like to know if this is agreeable to Council, and if so, where a trailer could be placed.

City Manager Hock presented a site plan drawing illustrating two options for placement of the portable trailers. One option is in the area near the General Services building. If this area is used, water and electric is more difficult to access. The other option is on the eastern end



of City Hall, in the front of the building. This provides easier access to utilities. We could make either option work.

Administrator Boggemes and Judge Appel discussed concerns about providing security to probation officers if the trailers were located on the western end of the City complex. They both stated they preferred the location closer to City Hall. They would purchase rather than lease because there is a resale value to these units. The cost to buy the unit is approximately \$59,000, plus set up costs which should be under \$10,000. It is more advantageous to buy than lease.

Mayor Pro Tem Seligson expressed support for placement of the trailer on the east side, near the front of City Hall.

Finance Director Ghedotte asked if "non traffic ordinance" cases are Code violations.

Administrator Boggemes stated this also includes other misdemeanors. She can write a program to extract a report specifically regarding Code violations.

Judge Appel stated they have noted a trend to increased violence in misdemeanor cases. They are handling more evictions for property foreclosures. She handles about 12 cases per week for Oak Park. The banks are generally giving 30 days for people to get out as opposed to the 10 days provided by law.

Mayor Naftaly asked what is needed for the Court to proceed with getting the trailers.

City Manager Hock suggested Council adopt a motion providing authorization.

**CM-04-27-07                      AUTHORIZATION FOR PURCHASE AND INSTALLATION  
OF MODULAR PORTABLE OFFICE TRAILER**

Motion by Seligson, seconded by Horton, CARRIED UNANIMOUSLY: To authorize District Court 45-B to proceed with the purchase and installation of a modular portable office trailer, to be located on the southeast portion of the City complex, on the east side of City Hall, with the specific placement to be determined by City staff. Purchase of the trailer shall be through utilization of the Court Building Fund.

Roll Call Vote:	Yes,	Seligson, Horton, Jackson, Yousif, Naftaly
	No,	None
	Absent,	None

**CM-04-27-07                      RESOLUTION RE: 45-B DISTRICT COURT BUILDING FUND  
AND RETIREE HEALTH FUND INCREASE**

Motion by Yousif, seconded by Seligson, CARRIED UNANIMOUSLY: To adopt the following resolution:

WHEREAS, It is the intent of the 45-B District Court to increase the \$5.00 per ticket fee levied on each ticket to \$10.00 for the purpose of the Building Fund;

WHEREAS, It is the intent of the 45-B District Court to increase the \$5.00 per ticket fee levied on each ticket to \$10.00 for the purpose of the Retiree Health Plan Fund; and

WHEREAS, It is the intent of the 45-B District Court to add \$100.00 in costs to serious and specified misdemeanors for the purpose of the Building Fund;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Oak Park, Michigan, hereby adopts the increases to the Building Fund and the Retiree Health Plan Fund; and

BE IT FURTHER RESOLVED that these increases shall take effect as of May 14, 2007.

Roll Call Vote:	Yes,	Horton, Jackson, Yousif, Naftaly, Seligson
	No,	None
	Absent,	None

Mayor Naftaly stated the Finance Director and the City Manager will have to review the budget to determine if funds can be added back in for Professional Services and Contractual Services. They will also review whether the \$37,407 can be put in for Retiree Health Care.

## **PUBLIC SAFETY**

Mayor Naftaly stated he has expressed to the Director of Public Safety that we need an emergency preparedness plan for City Council Meetings. He would also like a test to make sure the alarm buttons are working.

Public Safety Director McNeilance stated he will have Officer Edmonds review this with Council.

Public Safety Director McNeilance presented an overview of the Public Safety Budget. He stated they don't expect much turnover in the next year. The current budget eliminates one Public Safety Officer I position, one Public Safety Officer II position, and an Administrative Clerk in the Records Division. They don't want to see the Public Safety Officers cut from 67 positions to 65. Right now, they are at 65 positions with one in Fire Academy, one in Police Academy, and one in field training. He discussed the increase in ticket citations. If the cut in

# EXHIBIT 9

- 2) Final Sales Agreement home value meeting HUD regulations.
- 3) Homebuyers currently meeting and continuing to meet all HUD regulations for the purchase of NSP homes.

Roll Call Vote:      Yes,              Naftaly, Seligson, Duplessis, Levine  
                             No,                None  
                             Absent,          Jackson

**MOTION DECLARED ADOPTED.**

**PROPOSAL FOR THE AUDIO/VISUAL EQUIPMENT FOR THE CITY HALL/PUBLIC SAFETY BUILDING**

Council Member Levine indicated that he would like the Audio/Visual Equipment Proposal item delayed until after City Council can sit down with staff and discuss the proposal and know what equipment will be and what we are trying to accomplish. He noted that since this is not a grant that the Council should have reviewed what is going to be included in the RFP before going out for proposals. He also stated that before Council can approve this item, they need to know the thought process that went into the RFP

Mayor Naftaly agreed with Council Member Levine and noted that the direction given at the Special meeting was to refer this back to staff including IT Director Schefke and IT/Cable staff member Brandimarte, and to come back to Council. Also there were questions relating to the bid that were referred to the City Attorney, regarding the bid proposals and changes to the proposals after submittal, which the City Attorney has stated is appropriate, however the item was referred back for additional discussion.

**CM-08-249-11              PROPOSAL FOR THE AUDIO/VISUAL EQUIPMENT FOR THE CITY HALL/PUBLIC SAFETY BUILDING - APPROVED**

Motion by Duplessis, seconded by Levine, CARRIED UNANIMOUSLY: To receive and refer back to City Manager for an upcoming Study Session to allow for discussion with the IT Department.

**MOTION DECLARED ADOPTED.**

**REQUEST TO INCREASE COURT FEES FOR THE 45B DISTRICT COURT**

45B Court Administrator Goodroe reviewed the proposed Court Costs with City Council and noted the increases would be effective October 1, 2011.

Mayor Naftaly thanked Court Administrator Goodroe, the 45B District Court Judges, City Manager Fox, Administrative staff and Council Member Duplessis for their efforts. This will assist the City with the new building project.

**CM-08-250-11 REQUEST TO INCREASE COURT FEES FOR THE 45B  
DISTRICT COURT - APPROVED**

Motion by Duplessis, seconded by Seligson, CARRIED: To approve the following resolution establishing Court Costs for Civil Infractions and Misdemeanor Cases filed in the 45B District Court, effective October 1, 2011:

**CITY OF OAK PARK  
COUNTY OF OAKLAND, MICHIGAN**

**ESTABLISH COURT COSTS FOR CIVIL INFRACTIONS AND MISDEMEANOR  
CASES FILED IN THE 45B DISTRICT COURT**

Motion by Duplessis, seconded by Seligson, to adopt the following resolution:

- WHEREAS,** The Oak Park City Council finds it appropriate and prudent to periodically review Oak Park Court costs applied to civil infractions and certain misdemeanor cases, and
- WHEREAS,** The City of Oak Park last considered court costs in May, 2007 to be applied to civil infractions and certain misdemeanor cases filed in 45B District Court; and
- WHEREAS,** The Oak Park City Council having reviewed the applicable costs for certain services and functions of 45B District Court, and having determined that an increase in court costs should be assessed; and
- WHEREAS,** Such amounts shall be reviewed on a periodic basis, but not less frequently than on a biannual basis and adopted by resolution of the City Council; and
- WHEREAS,** It is the intent of the 45B District Court to increase the \$10.00 per civil infraction fee levied on each ticket to \$20.00 for deposit into the City of Oak Park Municipal Building Construction Fund; and
- WHEREAS,** It is the intent of the 45B District Court to increase the \$10.00 per civil infraction fee levied on each ticket to \$15.00 for deposit into the City of Oak Park Court Retiree Health Care Fund; and
- WHEREAS,** It is the intent of the 45B District Court to increase the \$100.00 court costs assessed for serious and specified misdemeanors to \$125.00 for deposit into the City of Oak Park Municipal Building Construction Fund.

**NOW, THEREFORE, BE IT RESOLVED BY** the City Council of the City of Oak Park to adopt increases to court costs to the City of Oak Park Municipal Building Construction Fund and the City of Oak Park Court Retiree Health Care Fund to be applied to civil infractions and misdemeanor cases filed in the 45B District Court, and

**BE IT FURTHER RESOLVED**, that these increases to court costs shall apply effective as of October 1, 2011.

AYES: Duplessis, Levine, Naftaly, Seligson  
NAYS: None  
ABSENT: Jackson

**RESOLUTION DECLARED ADOPTED.**

---

**TONNI BARTHOLOMEW, City Clerk**

I, Tonni L. Bartholomew, duly appointed Clerk of the City of Oak Park, Michigan, do hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City of Oak Park, County of Oakland, State of Michigan, at a Regular meeting held on August 15, 2011, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of 1976, and that the Minutes of said meeting were kept and will be or have been made available as required by said Act.

---

**TONNI BARTHOLOMEW, City Clerk**

**PROPOSED CHANGE ORDER NO. 2 AND PAYMENT APPLICATION NO. 2 (FINAL)  
FOR THE GENERAL SERVICES DEMOLITION, M-542**

Council Member Levine indicated that it appears like the project is complete. He questioned additional work.

Public Works Director Yee noted that remaining work involves the removal of light fixtures and ballasts. The work will be completed once the workers no longer need the lighting.

**CM-08-251-11      PROPOSED CHANGE ORDER NO. 2 AND PAYMENT  
APPLICATION NO. 2 (FINAL) FOR THE GENERAL SERVICES  
DEMOLITION, M-542 - APPROVED**

Motion by Seligson, seconded by Levine, **CARRIED UNANIMOUSLY**: To approve Change Order no. 2 to Able Demolition for the General Services Demolition, M-542, be approved for the amount of \$154.00. It is further recommended that payment Application no. 2 (final) for the same be approved in the amount of \$154.00. Funding is available in the Municipal Building Bond Account # 452-59-451-801.

**FINANCIAL STATEMENT:**



# EXHIBIT 10



## City of Pleasant Ridge

RECEIVED  
CITY OF OAK PARK  
MAY 14 2013  
May 13, 2013  
MANAGER'S  
OFFICE

Mr. Eric Tungate, City Manager  
CITY OF OAK PARK  
13600 Oak Park Boulevard  
Oak Park, Michigan 48237

### **RE: Conversion**

Dear Mr. Tungate:

The undersigned cities of Pleasant Ridge, Huntington Woods and the Charter Township of Royal Oak are advised that the City of Oak Park has knowingly received and retained certain property owned by said communities. Said property consists of various funds including a building fund, a retiree health care fund, and a serious misdemeanor fund. These funds were transmitted by the 45B District Court to the City of Oak Park as a fiduciary to hold on behalf of the communities.

This letter demands return of the property within these funds received and held by Oak Park. Accounting performed by SCAO indicates Oak Park's wrongful retention of no less than \$111,696.33 of Pleasant Ridge's property, no less than \$251,021.93 of Huntington Woods property, and no less than \$102,919.33 of Royal Oak Township property. A demand for interest upon these sums is also made.

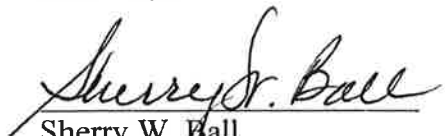
This letter does not preclude the existence of other funds in which the communities may also have a statutory or other interest and for which an accounting and demand is also made.

Continued retention by the City of Oak Park of any and all such funds constitutes conversion as of this date, contrary to common law and statute. It also constitutes a breach of fiduciary duty.

Failure to return to each community its property in seven (7) days and provide a full accounting of all statutory funds existing in connection with the 45B District Court, will induce each community to seek authority to litigate for the recovery of said funds and interest. In such case, the communities shall also seek a full accounting of all funds, costs and statutory attorney fees. The communities will also seek treble damages pursuant to MCL 600.2919a.

We look forward to your response. Should you have any questions, please feel free to contact any of the undersigned.

Sincerely,



Sherry W. Ball  
City Manager  
City of Pleasant Ridge



Alex R. Allie  
City Manager  
City of Huntington Woods



Kerry Morgan  
Attorney for  
Charter Township  
of Royal Oak

cc Deborah Green, State Court Administrator  
Donna Squalls, Supervisor, Charter Township of Royal Oak



# EXHIBIT 11

**CITY OF OAK PARK  
OAKLAND COUNTY, MICHIGAN**

**RESOLUTION CM-06-214-13**

**RESOLUTION CONCERNING DISTRICT COURT BUILDING FUND**

**WHEREAS**, the City of Oak Park has since 1995, at the request of the District Court Judges, collected an additional fee on traffic tickets to be used as a Building Fund for the Court; and

**WHEREAS**, the City of Oak Park has since 1995, at the request of the District Court Judges, collected an additional fee on traffic tickets to be used for the costs of retiree health care for the District Court employees; and

**WHEREAS**, the City of Oak Park has since 2007 collected an additional fee on specified and serious misdemeanors to be used for the Building Fund for the Court; and

**WHEREAS**, questions have been raised as to the use of these funds;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Oak Park, Michigan that money collected by the Court and transmitted to the City of Oak Park for the Building Fund will be used for improvements for the 45<sup>th</sup> District Court.

**BE IT FURTHER RESOLVED** by the City Council of the City of Oak Park, Michigan that money collected by the Court and transmitted to the City of Oak Park for the costs of retiree health care for the District Court employees will only be used for the costs of retiree health care for the District Court employees.

**BE IT FURTHER RESOLVED** by the City Council of the City of Oak Park, Michigan that none of those funds may be used for general fund purposes by the City of Oak Park, Michigan.

Roll Call Vote:	Yes:	McClellan, Duplessis, Levine, Seligson
	No:	None
	Absent:	Jackson

**MOTION DECLARED ADOPTED.**

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City of Oak Park, County of Oakland, State of Michigan, at a regular meeting held on Monday, June 3, 2013 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act No. 267, Public Acts of 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

  
 T. Edwin Norris, City Clerk

# **EXHIBIT 12**



**COURT COSTS DISTRIBUTIONS**  
**Fiscal Years 1996 through 2012**

**45th District Court**  
**City of Oak Park**

**State Court Administrative Office, Region I**  
**Michigan Supreme Court**  
**P. O. Box 02984**  
**Detroit, Michigan 48202**

**Charlene McLemore, Auditor -- Region I**  
**October 2012**

**45th District Court  
Court Costs Distributions  
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### SCOPE OF REVIEW

The purpose of this report is to provide information regarding the contribution of court costs to the court's building fund and retiree's health care fund.

Our review consisted of an examination of the court's month-end spreadsheets and the court's automated system revenue reports. We reviewed month-end spreadsheets for the fiscal years 2004 through 2012. We also reviewed the Judicial Information System (JIS) Court Detail Reports and Court Summary Reports for the fiscal years 1996 through 2012. The court's fiscal year is July 1 through June 30.

### DISTRIBUTION OF COURT COSTS

During the review period, the 45-B district consisted of four political subdivisions; city of Oak Park, city of Huntington Woods, charter township of Royal Oak, and city of Pleasant Ridge. The former 45-B District Court is located in the city of Oak Park. The court handles statute violations and the political subdivisions' ordinance violations.

For statute violations, district courts should distribute court costs to the political subdivision where the hearing or civil infraction action was held. For ordinance violations, district courts should distribute one-third to the political subdivision whose ordinance was violated and two-thirds to the political subdivision where the hearing or civil infraction action was held. In third class district courts, the distribution of court costs can be made as agreed upon by the district's political subdivisions.

The court is in a district of the third class; however, the court indicated there was not an agreement in place for the distribution of fines and costs during the review period. The court distributed court costs, with the exception of court costs titled as operational costs, using the method of one-third to the political subdivision whose ordinance was violated and two-thirds to the city of Oak Park during the review period. It should be noted that in fiscal year 2013, the court started distributing the operational costs using the method that was previously used for all other court costs. } ?

### OPERATIONAL COSTS DISTRIBUTIONS

5/ The former 45-B District Court began collecting court costs on civil infraction violations for the building fund and retiree's health care fund in August 1995. The OPCS cash code is used for receipting of these costs. For fiscal years 1996 through 2012, the entire amount receipted using the OPCS cash code was distributed to the city of Oak Park. The city of Oak Park allocated the distributions to the building fund and retiree health care fund. The court indicated the \$20 OPCS costs assessed included \$10 for each fund during the fiscal years 1996 through 2011. In the fall of 2011 the OPCS costs assessed increased to \$35, which included \$20 for the building fund and \$15 for the retiree's health care fund.

In May 2007, the former 45-B District Court began collecting court costs on misdemeanor violations for the building fund. The OPBF cash code is used for receipting of these costs. For

fiscal years 2007 through 2012, the entire amount receipted using the OPBF cash code was distributed to the city of Oak Park.

The court receipted \$3,273,539.37 using the OPCS and OPBF cash codes for fiscal years 1996 through 2012, per the JIS Cash Detail - Accounts Breakdown reports. Schedule A contains the revenue information by cash code, venue code, and fiscal year.

The court distributed all of the court costs collected using the OPCS and OPBF to the city of Oak Park instead of distributing one-third to the political subdivision whose ordinance was violated. We determined that the total OPCS and OPBF revenue that was contributed to the court's building fund and retiree's health care fund by the political subdivisions other than the city of Oak Park is \$465,637.59; \$251,021.93 for the city of Huntington Woods, \$102,919.33 for the charter township of Royal Oak, and \$111,696.33 for the city of Pleasant Ridge. The following table provides the undistributed revenues with a breakdown by fiscal year.

Former 45-B District Court OPCS and OPBF Undistributed Revenues Fiscal Years Ending June 30			
Fiscal Year	Huntington Woods	Royal Oak Township	Pleasant Ridge
2012	\$ 46,007.33	\$ 2,214.33	\$ 16,228.67
2011	31,015.00	1,969.67	9,402.67
2010	25,345.00	2,056.33	12,937.33
2009	24,393.33	2,577.00	10,924.00
2008	25,751.59	2,935.00	11,822.67
2007	14,794.67	2,608.33	6,950.00
2006	12,162.00	2,991.67	6,413.33
2005	10,166.00	2,692.67	3,931.33
2004	9,481.67	3,307.00	3,599.67
2003	9,355.00	3,930.67	5,363.33
2002	7,685.00	4,308.33	4,593.33
2001	7,694.00	4,550.00	4,243.33
2000	7,746.67	5,480.00	3,303.33
1999	7,661.67	7,800.00	2,723.33
1998	4,997.67	13,137.00	3,266.67
1997	4,620.00	20,706.33	3,016.67
1996	2,143.33	19,653.00	2,976.67
Total	\$ 251,021.93	\$ 102,919.33	\$ 111,696.33

See Schedules B through E for a breakdown of the amounts contributed to the court's building fund and retiree's health care fund by fiscal year for each political division. Please note information related to the actual contributions was not available for all of the reviewed fiscal years. The contributions in Schedules B through E were calculated using the JIS revenue amounts, splitting the OPCS revenues 50/50 between the building fund and the retiree's health care fund, and allocating 100% of the OPBF revenues to the building fund.



Schedule A

Former 45-B District Court  
OPCS and OPBF Revenues by Venue Code  
Fiscal Years Ending June 30

Fiscal Year	01 Oak Park	02 Huntington Woods	03 Royal Oak Township	04 Pleasant Ridge	05 Oakland County	06 State Police	Total
2012	122,854.00	127,835.00	6,443.00	45,420.00	3,435.00	13,521.00	319,518.00
2011	105,769.00	67,130.00	6,309.00	28,418.00	2,850.00	9,380.00	234,896.00
2010	127,102.00	69,828.00	5,694.00	25,553.00	3,354.00	9,662.00	251,490.00
2009	144,638.00	68,224.00	7,315.00	30,538.00	10,700.00	11,117.00	272,732.00
2008	136,235.00	68,994.78	8,035.00	31,143.00	2,792.00	11,125.00	258,885.78
2007	84,631.00	43,914.00	7,825.00	20,515.00	1,135.00	19,591.00	168,591.00
2006	68,614.00	36,488.00	8,975.00	18,240.00	950.00	9,725.00	143,990.00
2005	48,617.00	30,498.00	8,076.00	11,784.00	1,020.00	5,710.00	105,717.00
2004	47,374.00	28,445.00	9,921.00	10,799.00	1,403.00	4,525.00	102,549.00
2003	68,061.00	28,085.00	11,782.00	16,090.00	3,080.00	8,504.00	131,592.00
2002	81,463.00	23,055.00	12,325.00	13,780.00	3,630.00	9,350.00	144,203.00
2001	80,050.00	23,082.00	13,650.00	12,730.00	3,670.00	8,310.00	141,492.00
2000	88,670.00	23,240.00	18,440.00	9,910.00	4,180.00	8,485.00	148,135.00
1999	88,450.00	22,985.00	23,400.00	8,170.00	1,960.00	7,570.00	152,665.00
1998	72,250.00	14,983.00	29,411.00	9,800.00	1,635.00	8,930.00	147,019.00
1997	79,051.00	13,880.00	62,119.00	9,050.00	2,700.00	4,700.00	171,432.00
1996	57,200.00	6,430.00	59,955.00	8,930.00	1,830.00	3,390.00	136,545.00
Total	1,393,480.00	717,652.78	595,680.00	320,178.00	50,245.00	141,875.00	3,039,799.78

Fiscal Year	OPBF Cash Code	OPBF Cash Code	OPBF Cash Code	OPBF Cash Code	OPBF Cash Code	OPBF Cash Code	Total
2012	47,412.00	10,189.00	200.00	2,283.00	1,035.00	2,578.00	63,478.00
2011	22,850.23	5,615.00	805.00	1,780.00	401.00	1,480.00	33,212.23
2010	34,190.18	6,210.00	189.00	3,258.00	2,119.00	1,472.00	47,438.18
2009	38,555.00	1,052.00	415.00	2,235.00	850.00	2,227.00	47,345.00
2008	31,840.20	7,860.00	770.00	4,325.00	335.00	1,820.00	46,565.20
2007	2,170.00	470.00	36.00	36.00	25.00	10.00	2,719.00
2006							
2005							
2004							
2003							
2002							
2001							
2000							
1999							
1998							
1997							
1996							
Total	176,223.61	36,403.00	2,170.00	14,911.00	6,046.00	9,387.00	242,740.61

Fiscal Year	Combined OPCS and OPBF Cash Code Totals	Combined OPCS and OPBF Cash Code Totals	Combined OPCS and OPBF Cash Code Totals	Combined OPCS and OPBF Cash Code Totals	Combined OPCS and OPBF Cash Code Totals	Combined OPCS and OPBF Cash Code Totals	Total
2012	170,276.00	138,022.00	6,643.00	48,685.00	5,271.00	16,099.00	394,997.00
2011	128,719.23	93,045.00	6,809.00	28,208.00	3,331.00	10,860.00	269,072.23
2010	161,292.18	70,039.00	8,169.00	38,812.00	5,483.00	11,134.00	288,625.18
2009	181,481.00	73,180.00	7,731.00	32,772.00	11,550.00	13,344.00	307,059.00
2008	168,142.20	77,294.78	8,805.00	35,488.00	3,127.00	12,745.00	305,541.00
2007	83,801.00	44,384.00	7,825.00	20,850.00	1,160.00	10,571.00	171,591.00
2006	68,614.00	36,488.00	8,975.00	18,240.00	950.00	9,725.00	143,990.00
2005	48,617.00	30,498.00	8,076.00	11,784.00	1,020.00	5,710.00	105,717.00
2004	47,374.00	28,445.00	9,921.00	10,799.00	1,403.00	4,525.00	102,549.00
2003	68,061.00	28,085.00	11,782.00	16,090.00	3,080.00	8,504.00	131,592.00
2002	81,463.00	23,055.00	12,325.00	13,780.00	3,630.00	9,350.00	144,203.00
2001	80,050.00	23,082.00	13,650.00	12,730.00	3,670.00	8,310.00	141,492.00
2000	88,670.00	23,240.00	18,440.00	9,910.00	4,180.00	8,485.00	148,135.00
1999	88,450.00	22,985.00	23,400.00	8,170.00	1,960.00	7,570.00	152,665.00
1998	72,250.00	14,983.00	29,411.00	9,800.00	1,635.00	8,930.00	147,019.00
1997	79,051.00	13,880.00	62,119.00	9,050.00	2,700.00	4,700.00	171,432.00
1996	57,200.00	6,430.00	59,955.00	8,930.00	1,830.00	3,390.00	136,545.00
Total	1,669,673.59	763,926.78	595,680.00	336,005.00	66,881.00	182,062.00	3,275,539.37

Notes:  
1. Minimal amounts that appear to be venue posting errors were added to the 01 Oak Park venue including \$40 reported as 07 State Depts venue and \$10 reported as 08 Barkley venue codes.  
2. The table indicates the total revenues collected for the cash codes and venue codes prior to allocation (1/3 & 2/3 split) of the costs to political subdivisions.

## Schedule B

**Former 45-B District Court  
Huntington Woods - Fund Contributions  
Fiscal Years Ending June 30**

Fiscal Year	Building Fund	Retiree's Health Care		Total
		Fund	Fund	
2012	\$ 24,701.33	\$ 21,306.00	\$	46,007.33
2011	16,493.33	14,521.67		31,015.00
2010	13,707.50	11,637.50		25,345.00
2009	13,024.67	11,370.66		24,395.33
2008	14,152.46	11,599.13		25,751.59
2007	7,475.67	7,319.00		14,794.67
2006	6,081.00	6,081.00		12,162.00
2005	5,083.00	5,083.00		10,166.00
2004	4,740.84	4,740.83		9,481.67
2003	4,677.50	4,677.50		9,355.00
2002	3,842.50	3,842.50		7,685.00
2001	3,847.00	3,847.00		7,694.00
2000	3,873.34	3,873.33		7,746.67
1999	3,830.83	3,830.84		7,661.67
1998	2,498.84	2,498.83		4,997.67
1997	2,310.00	2,310.00		4,620.00
1996	1,071.66	1,071.67		2,143.33
<b>Total</b>	<b>\$ 131,411.47</b>	<b>\$ 119,610.46</b>	<b>\$</b>	<b>251,021.93</b>

*Please note information related to the actual contributions was not available for all of the reviewed fiscal years. The contributions were calculated using the JIS revenue amounts, splitting the OPCS revenues 50/50 between the building fund and the retiree's health care fund, and allocating 100% of the OPBF revenues to the building fund.*

## Schedule C

Former 45-B District Court  
Oak Park - Fund Contributions  
Fiscal Years Ending June 30

Fiscal Year	Building Fund	Retiree's Health	
		Care Fund	Total
2012	\$ 190,737.00	\$ 129,809.67	\$ 320,546.67
2011	128,066.40	97,618.50	225,684.90
2010	151,401.82	107,184.67	258,586.49
2009	163,497.00	118,689.67	282,186.67
2008	153,668.63	111,364.09	265,032.72
2007	74,889.83	72,348.17	147,238.00
2006	61,211.50	61,211.50	122,423.00
2005	43,463.50	43,463.50	86,927.00
2004	43,080.33	43,080.33	86,160.66
2003	56,471.50	56,471.50	112,943.00
2002	63,808.17	63,808.17	127,616.34
2001	62,502.33	62,502.34	125,004.67
2000	66,302.50	66,302.50	132,605.00
1999	67,235.00	67,235.00	134,470.00
1998	62,808.83	62,808.83	125,617.66
1997	71,544.50	71,544.50	143,089.00
1996	55,885.00	55,885.00	111,770.00
Total	\$ 1,516,573.84	\$ 1,291,327.94	\$ 2,807,901.77

*Please note information related to the actual contributions was not available for all of the reviewed fiscal years. The contributions were calculated using the JIS revenue amounts, splitting the OPCS revenues 50/50 between the building fund and the retiree's health care fund, and allocating 100% of the OPBF revenues to the building fund.*



## Schedule D

**Former 45-B District Court  
Pleasant Ridge - Fund Contributions  
Fiscal Years Ending June 30**

<b>Fiscal Year</b>	<b>Building Fund</b>	<b>Retiree's Health Care Fund</b>	<b>Total</b>
2012	\$ 8,658.67	\$ 7,570.00	\$ 16,228.67
2011	4,999.67	4,403.00	9,402.67
2010	7,011.83	5,925.50	12,937.33
2009	5,834.67	5,089.33	10,924.00
2008	6,632.17	5,190.50	11,822.67
2007	3,480.83	3,469.17	6,950.00
2006	3,206.66	3,206.67	6,413.33
2005	1,965.67	1,965.66	3,931.33
2004	1,799.83	1,799.84	3,599.67
2003	2,681.67	2,681.66	5,363.33
2002	2,296.66	2,296.67	4,593.33
2001	2,121.67	2,121.66	4,243.33
2000	1,651.66	1,651.67	3,303.33
1999	1,361.67	1,361.66	2,723.33
1998	1,633.33	1,633.34	3,266.67
1997	1,508.34	1,508.33	3,016.67
1996	1,488.34	1,488.33	2,976.67
<b>Total</b>	<b>\$ 58,333.34</b>	<b>\$ 53,362.99</b>	<b>\$ 111,696.33</b>

*Please note information related to the actual contributions was not available for all of the reviewed fiscal years. The contributions were calculated using the JIS revenue amounts, splitting the OPCS revenues 50/50 between the building fund and the retiree's health care fund, and allocating 100% of the OPBF revenues to the building fund.*

Please note information related to the actual contributions was not available for all of the reviewed fiscal years. The contributions were calculated using the JIS revenue amounts, splitting the OPCS revenues 50/50 between the building fund and the retiree's health care fund, and allocating 100% of the OPRF revenues to the building fund.

Fiscal Year	Building Fund	Health Care Fund	Total
2012	\$ 1,140.50	\$ 1,073.83	\$ 2,214.33
2011	1,084.84	884.83	1,969.67
2010	1,059.00	997.33	2,056.33
2009	1,357.67	1,219.33	2,577.00
2008	1,595.83	1,339.17	2,935.00
2007	1,304.17	1,304.16	2,608.33
2006	1,495.84	1,495.83	2,991.67
2005	1,346.33	1,346.34	2,692.67
2004	1,653.50	1,653.50	3,307.00
2003	1,965.33	1,965.34	3,930.67
2002	2,154.17	2,154.16	4,308.33
2001	2,275.00	2,275.00	4,550.00
2000	2,740.00	2,740.00	5,480.00
1999	3,900.00	3,900.00	7,800.00
1998	6,568.50	6,568.50	13,137.00
1997	10,353.16	10,353.17	20,706.33
1996	9,827.50	9,827.50	19,655.00
Total	\$ 51,821.34	\$ 51,097.99	\$ 102,919.33

Former 45-B District Court  
Royal Oak Township - Fund Contributions  
Fiscal Years Ending June 30